



Daily Report

East Asia

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Japan

Early Solution to U.S. Dispute 'Unlikely'

OW0405120888 Tokyo KYODO in English 1053 GMT
4 Apr 88

[Text] Washington, May 4 KYODO—Senior Japanese and U.S. officials ended a week of hard bargaining on their bilateral beef and citrus trade dispute in deadlock Tuesday, setting the stage for multilateral talks at a Washington-sought GATT panel.

"Regrettably, we have failed to reach agreement," said Japanese Agriculture, Forestry and Fisheries Minister Takashi Sato. "We made efforts for a bilateral solution ... It is regrettable indeed that the U.S. side did not offer a compromise."

Sato made the remarks at a press conference following the eighth and final round of talks with U.S. Trade Representative Clayton Yeutter since the negotiations began April 27.

Yeutter said in a statement issued after the talks that Japan was "willing to make concessions in some areas." But Japan "wanted to substitute other measures that would sustain a high level of import protection" for beef, he said.

"In addition, none of our citrus concerns was addressed to our satisfaction," the statement said.

The United States brought the issue before the General Agreement on Tariffs and Trade (GATT) in Geneva Wednesday and the GATT Council unanimously approved the formation of a multilateral panel to review what Yeutter called Japan's "obstructive" beef and citrus import practices.

During the series of talks, both sides remained wide apart on Japanese plans to impose a variable surcharge on beef imports to protect domestic farmers, Japanese officials said.

At the final stage of the talks, the U.S. somewhat softened its position on the matter, implying it would tolerate a lower surcharge, the officials said.

But the U.S. insisted on setting a ceiling on the proposed surcharge—to be levied in addition to the present 25 percent import duty—and gradually lowering the limit, they said.

Japan rejected the U.S. offer on grounds it would not ensure stable domestic beef prices, they said.

The U.S. is demanding liberalization of beef and citrus imports within the next five years. The move follows the expiry March 31 of a 1984 bilateral agreement on Japanese import quotas on the two products.

Japan offered at the talks to liberalize beef imports in three years and citrus imports in five years, and sharply expand import quotas during the period.

But the surcharge discord eventually left both sides in a stalemate over the entire issue.

At the previous GATT Council meeting April 8, the U.S. sought the establishment of a multilateral panel to discuss the issue.

Without Japan's consent to the request, the U.S. threatened to invoke legal authority permitting retaliation unless Japan agrees to form the proposed panel at the GATT Council meeting Wednesday.

Japan accepted the proposal. Sato said Tokyo's new negotiating strategy will be discussed upon his return home Thursday.

It will take about a month before panel preparations are completed, including selection of members, informed sources said.

Japan plans to continue bilateral talks during that period but an early solution is unlikely, the sources said.

Leaders Express Regret

OW0405131088 Tokyo KYODO in English 1226 GMT
4 May 88

[Text] Tokyo, May 5 KYODO—Prime Minister Noboru Takeshita and other government leaders expressed their regret Wednesday over the failure of U.S. and Japanese negotiators to hammer out a solution to the long-running beef and orange trade dispute by the May 4 deadline set by both sides.

The senior officials shared the view that Japan now has no choice but to accept the setting up by the General Agreement on Tariffs and Trade (GATT) in Geneva of a panel to rule on the trade issue.

Takeshita, who is visiting Europe, said in London he regretted that the two sides were unable to come to an 11th hour agreement during Agriculture, Forestry, and Fisheries Minister Takashi Sato's talks in Washington that ended Tuesday.

Chief government spokesman Keizo Obuchi said in Tokyo the Japanese negotiating team was unable to obtain the U.S. Government's understanding of his country's preconditions for liberalization, which he said are necessary to protect domestic producers.

Obuchi was referring to surcharges the government wanted to impose on beef imports after liberalization. The U.S. negotiating position has been that the surcharges would have the same effect as the quotas now in place.

Shintaro Abe, secretary general of the ruling Liberal Democratic Party, said Wednesday in Prague the current series of talks failed even though Japan sent its highest-level negotiator to what was the eighth and last round of negotiations.

Abe said both sides should deal calmly with the matter in the context of the overall framework of good Japan-U.S. relations.

He also said after Sato returns to Japan on Thursday and gives his report, the Government and the ruling party will begin formulating their position for the GATT deliberations. In doing so, however, the Government must carefully consider the future of the domestic beef and citrus industries, he said.

Koichi Kato, chairman of an LDP subcommittee on import liberalization of farm products, told reporters Japan made all the concessions it could to resolve the issue before the deadline.

Kato said the U.S. side still refused to accept the final package of initiatives because of disagreement over the proposed import surcharges, which he argued are allowed under GATT rules.

Both ruling and opposition parties were united in praising Sato's efforts to conclude an acceptable agreement that would allow for continued protection for Japanese farmers.

Japan Socialist Party leaders questioned the validity of the American argument, saying the U.S. itself is protective of its own farming industry so there is "no reason" for Japan to unilaterally withdraw its protection.

Party officials also stressed that the proposed "border measures," such as surcharges for competitive agricultural imports, are essential.

Komeito, the second largest opposition party, complained that the U.S. made no attempt to understand Japan's agriculture and food situation, while a Japan Communist Party official said, "It is only natural for an independent country to reject market liberalization".

Masaji Shikata, head of two agricultural cooperatives for domestic fruit growers and fruit juice producers, blasted the "uncompromising" U.S. stance and praised Japanese Government efforts to protect the domestic citrus industry.

Abe Confirms Failed Talks

OW0405092088 Tokyo KYODO in English
0839 GMT 4 May 88

[Text] Prague, May 4 (KYODO)—Japan's ruling Liberal Democratic Party Secretary General Shintaro Abe said here Wednesday that the beef and orange liberalization issue will most likely go before the General Agreement

on Tariffs and Trade (GATT), now that Agriculture, Forestry, and Fisheries Minister Takashi Sato's negotiations in Washington with U.S. officials have ended in failure.

The No 2 man of the LDP said he regrets that a satisfactory solution to the problem was not achieved during the eighth and last round of bilateral talks, attended by what he described as Japan's highest-level negotiator on the long-running trade issue.

Abe said that the government and the LDP will have to meet soon to decide how to respond when the United States takes its trade grievances before a GATT panel in Geneva.

Abe also said that in formulating Japan's stand at GATT, the government should consider the development of the domestic beef and citrus industries to avert future negative consequences.

He added that both Japan and the U.S. should react calmly to the failed talks and consider the matter within the overall framework of friendly relations between the two trading partners.

Abe made his comments on the third day of a seven-day visit to Czechoslovakia and Hungary. He left Wednesday afternoon for Hungary's capital of Budapest.

Price Support To Continue

OW0505075288 Tokyo KYODO in English 0552 GMT
5 May 88

[Text] Tokyo, May 5 KYODO—The Japanese Government plans to maintain its current price support mechanism for both domestic and imported beef even after it liberalizes beef imports, government officials said Thursday.

But the officials said Japan would maintain its basic stand that it could not liberalize completely its imports of beef, oranges, and orange juice despite a unanimous decision by the General Agreement on Tariffs and Trade (GATT) to probe the Japan-U.S. farm trade dispute.

The GATT Council Wednesday approved the establishment of a multilateral dispute-settlement panel to investigate a U.S. complaint over Japan's beef and citrus import curbs.

The U.S. asked the GATT at a special GATT Council meeting April 8 to form the panel, but Japan's refusal blocked it at that time.

Washington renewed its request for panel formulation under GATT rules following the rupture of top-level marathon talks with Japan over the issue.

Japan accepted the GATT decision for fear of threatened U.S. retaliation in the event of another rejection, GATT sources said.

The officials said Japan would say at a panel meeting that it plans to liberalize its beef and citrus imports after it takes appropriate measures to help the domestic industries after liberalization, "on the basis of their own independent judgment."

But they expressed fear that Japan might be asked to liberalize beef and orange imports within about 2 years in view of the recent GATT ruling calling for the liberalization of 10 Japanese farm products.

In view of such an eventuality, the government plans to take domestic measures to improve the international competitiveness of both livestock farmers and citrus growers, including a continuation of the current beef price support system, they said.

But it will increase the amount of beef imports (214,000 tons in fiscal 1987 ended last March) gradually every year while holding beef prices down at certain levels, they said.

The officials said Japan will introduce an import surcharge system for its beef imports even after it liberalizes them in line with a possible GATT recommendation calling for the liberalization of Japan's beef trade.

But in such a case it would propose a multilateral debate on import surcharges, including variable import surcharges now being imposed by the EC, during the coming negotiations on farm trade under the Uruguay round of multilateral trade talks for freer global trade, they said.

The EC has imposed import surcharges, which vary according to the supply-demand situation within its territory, on about 60 farm products, including grain and dairy products. Such surcharges are accepted by GATT.

Meanwhile, Japan proposed during its latest negotiations with the U.S. on their bilateral farm trade dispute that it introduce surcharges in which the maximum limit may be set by law so that they would not inhibit the growth of Japanese beef imports, said Japanese officials accompanying Agriculture Minister Takashi Sato on his talks with U.S. trade negotiators.

Agriculture Minister Sato Returns From U.S.
OW0505111288 Tokyo KYODO in English 0703 GMT
5 May 88

[Text] Tokyo, May 5 KYODO—Agriculture, Forestry and Fisheries Minister Takashi Sato returned from the United States Thursday following his unsuccessful farm trade talks with U.S. Trade Representative Clayton Yeutter and other U.S. Government officials.

The negotiations failed to produce agreement on U.S. demands for liberalizing Japan's import of beef and oranges despite eight rounds of talks between Sato and Yeutter in Washington since April 27.

GATT Rules Against Microchip Price Curbs
OW0405144188 Tokyo KYODO in English 1408 GMT
4 May 88

[Text] Geneva, May 4 KYODO—The Council of the General Agreement on Tariffs and Trade (GATT) unanimously adopted Wednesday an earlier ruling by its dispute settlement panel against Japan's monitoring of export prices of computer chips.

The council recommended on the basis of the ruling that Japan correct the monitoring system, GATT sources said.

The panel decided in March that the Japanese Government practice violated GATT Article 11, which bans quantitative export restrictions.

Under its 1986 agreement with Washington, Tokyo is monitoring export prices of chips sold in third-country markets to prevent unfairly low-priced chips from being rerouted to the U.S. market.

But the EC had charged that the practice boosted chip prices to unjustifiably high levels in the Community.

The panel took issue with the Japanese Government's so-called administrative guidance under which manufacturers are required to report chip export prices.

It also disagreed to systematic monitoring of production and export prices on a company-by-company and product-by-product basis.

In addition, the Tokyo Government issues a supply/demand outlook regularly, thus forcing the chip industry to feel the need for production adjustment, according to the panel ruling.

The panel concluded that these measures constitute an integrated export control system in violation of Section 1 of GATT Article 11, which forbids export curbs.

The GATT Council's recommendations did not specify the deadline for Japan to implement them, but will weigh heavily on its ongoing talks with the EC and the U.S. on possible replacement of the monitoring system, the sources said.

Encouraged by the panel's lack of reference to the legitimacy of the chip trade accord itself, the U.S. is demanding that Japan practice "effective" measures to ensure prevention of dumping in the event of termination of the monitoring system.

The EC, on the other hand, is calling for the exclusion of government involvement in chip exports.

Japan and the EC held their second in a series of working-level talks on the issue in Brussels Tuesday but failed to narrow their differences, according to Japanese officials.

Government To Revise System

OW0505053588 Tokyo KYODO in English 0453 GMT
5 May 88

[Text] Tokyo, May 5 KYODO—The Japanese Government plans to review its monitoring of export prices of computer chips in line with a decision by the General Agreement on Tariffs and Trade (GATT) that the practice violates GATT rules, Japanese officials said Thursday.

GATT recommended unanimously at its council meeting Wednesday that Japan should correct the monitoring system on the basis of an earlier ruling by a GATT dispute-settlement panel that it violates GATT Article 11, which bans quantitative export restrictions by member state.

Officials at the Ministry of International Trade and Industry said Japan wants to correct the system in such a way as to revise the administrative guidance steps the ministry takes to monitor chip export prices under a bilateral Japan-U.S. chip trade agreement, without altering the pact itself.

The officials also said the ministry will discontinue a requirement for the industry to report export prices. It has been mandatory for prices to be notified to the ministry under the agreement, signed in September 1985.

The United States and the European Community (EC)—which protested about the monitoring agreement—had failed to agree on the controversial issue at their talks held before the GATT Council was convened Wednesday.

The officials said the U.S. had claimed the violation of GATT rules on the matter could be avoided if Japan would correct its current price-monitoring system, while the EC insisted the monitoring system should be fundamentally changed.

Meanwhile, Makoto Kuroda, vice MITI minister for international affairs, told reporters Wednesday night Japan will quickly revise its monitoring system to comply with the GATT recommendation.

But he declined to comment on how the system will be altered, saying only that Japan will hold consultations with both the U.S. and the EC.

Officials of a major Japanese semiconductor maker said Japanese chip exports would not be made at dumped prices for the next 6 months or a year even if the Japanese Government stops monitoring their prices.

"Memory chips are now in short supply," an industry analyst said.

Other industry analysts also said Japanese chip makers would not export their products at unfairly low prices even for a longer period in the absence of the monitoring system in view of the severe trade dispute they have experienced with the U.S.

Official Expresses Optimism on Trade Relations

OW0405125088 Tokyo KYODO in English 0916 GMT
4 May 88

[Text] New York, May 3 KYODO—The worst of the economic friction between the United States and Japan is over, according to Shinji Fukukawa, vice minister at Japan's Ministry of International Trade and Industry (MITI).

His optimism was based on evidence that structural adjustments in the economies of Japan and the U.S. are "progressing steadily," that there are expanded mechanisms for implementation of international policy coordination, and that the interdependence of the two economies is increasing, Fukukawa said in a speech before the Japan Society Tuesday.

He noted, though, that there was a lag in political awareness of these economic changes.

"We think we need to make much effort to narrow the gap between political perception and the economic situation," he said in an interview afterwards.

He also said he was "very encouraged" by a comment by U.S. Trade Representative Yeutter, made at a recent trade ministers meeting in Vancouver, that "trade relations between the two countries had taken a turn for the better."

Further cooperation might be needed, he said, to establish currency reference zones or to coordinate microeconomic policies "such as in industrial restructuring or mutual market access."

Fukukawa also suggested the formation of a "wisemen" or expert panel to study bilateral issues for the 21st century including "the possibilities of a free trade pact."

He expressed hope that foreign firms would respond positively to the invitation to participate in MITI's superconductivity R and D [research and development] project. So far none have signed on, many complaining about the high membership fees for uncertain commercial payback, he said.

Modest, international, thoughtful and innovative—forming the acronym MITI—are the four basic principles which “form the spirit that will guide the new MITI into the 21st century,” he said.

Fukukawa praised President Ronald Reagan for “his strong political will to fight protectionism” and said he supported a presidential veto of the recently passed omnibus trade bill.

Officials Pledge Study of Security Proposal
*OW0505045588 Tokyo KYODO in English 0416 GMT
5 May 88*

[Text] Honolulu, Hawaii, May 4 KYODO—Japan pledged Wednesday to study a U.S. proposal for conclusion of a mutual logistics support agreement between the two countries, Japanese officials said.

Japan made the commitment during the second-day session of 3-day bilateral security talks.

The United States maintains mutual logistics support pacts with 10 member nations of the North Atlantic Treaty Organization (NATO), including Britain and West Germany.

It is now negotiating with South Korea, Israel, and Egypt to conclude such agreements.

The commitment is expected to touch off a hot debate in Japan, as the agreement, if concluded, will move Japan closer to a military framework like NATO.

Diplomats and defense officials from the 2 countries are attending the 3-day talks, the 18th of their kind.

Among them are Japanese Vice Defense Minister Muneo Shishikura and Deputy Foreign Minister Takakazu Kuriyama, and Richard Armitage, U.S. assistant secretary of defense for international security affairs.

Japanese officials said the United States wants to conclude the bilateral agreement to mutually supply logistics and labor during joint military exercises.

The logistics include fuel, ammunition, housing, medical care, and labor for communication, repair, and maintenance. They do not include nuclear arms and their components and parts, or principal weapons, the Japanese officials said.

James Davis, commander of the U.S. Pacific forces in Japan, was quoted as saying that the agreement is useful to both Japan's Self-Defense Forces and U.S. forces stationed in Japan.

Davis then officially proposed the conclusion of such an agreement with Japan, the officials said.

Kuriyama was quoted as telling the U.S. side that Japan intends to study the proposal since domestic legal problems are involved.

According to Japanese Defense Agency sources, Japan and the United States at present are mutually supplying fuel for ships and aircraft, based on Japanese laws.

Foreign Minister Uno Visits Chinese Cities

For reportage on the visit by Foreign Minister Uno to the PRC, including his visits to Guangzhou, Dalian, and Beijing and his meetings with PRC Foreign Minister Qian Qichen, Vice Premier Wu Xueqian, and Premier Li Peng, see the International Affairs section of the 2 May China DAILY REPORT and subsequent issues.

Doi, JSP Delegation Leave for USSR
*OW0405213488 Tokyo KYODO in English 0557 GMT
4 May 88*

[Text] Tokyo, May 4 KYODO—Takako Doi, chairwoman of the Japan Socialist Party (JSP), left here for Moscow shortly after Wednesday noon for a week-long visit to the Soviet Union, leading a JSP delegation.

Doi will hold talks with Soviet party General Secretary Mikhail Gorbachev on Friday to discuss a variety of problems, according to JSP sources.

They are expected to exchange opinions on reduction and abolition of submarine-launched ballistic missiles (SLBM) and other ship-launched missiles from an angle of maintaining security in the Asian-Pacific region, the sources said.

They will also discuss bilateral issues, including the Japanese territorial claim over the Soviet-held four northern islands east of Hokkaido, Japan-Soviet economic cooperation and a possible Japan visit by Gorbachev, the sources said.

Doi is scheduled to deliver a lecture on the Japanese Constitution at Moscow University on Thursday.

Later in the day, she will conduct talks with Anatoliy F. Dobrynin, party Secretariat member and head of the party's International Department, and other Soviet leaders.

Doi and her group will leave Moscow on Saturday for a visit to Leningrad and return to Moscow next Tuesday for talks with Vice Premier Vladimir Kamentsev, Minister of Fisheries Nikolay Kotlyar and other officials.

Doi and her delegation will return home on May 12.

Nagasaki City Protests Soviet Nuclear Test
*OW0505055988 Tokyo RDO in English 0509 GMT
5 May 88*

[Text] Nagasaki, May 5 KYODO—The city of Nagasaki and its assembly protested to the Soviet Union Thursday against its underground nuclear test conducted in Semipalatinsk in Central Asia Wednesday.

The protest dispatched via Soviet Ambassador Nikolay Solovyev called the test an act of trampling on the wishes of people who desire disarmament and world peace, and they appealed for a halt to such tests.

The protest was the fifth of its kind to be sent to the Soviet Union this year, and 145th overall.

Mongolia

Batmonh, Sodnom Attend May Day Parade
*OW0305181888 Ulaanbaatar International Service
in English 0910 GMT 2 May 88*

[Text] On May 1st the Ulaanbaatarites celebrated by gala parade the 102d anniversary of the day of proletarian solidarity. The parade was held on the Sukhe Bator Square in the center of the capital city. Watching it from the rostrum were Mongolian party leader and President Batmonh, Prime Minister Sodnom, and other leaders, war veterans, executives of party, state, and public organizations, foremost workers, representatives of foreign specialists who are working in Mongolia, as well as heads and members of diplomatic missions accredited at Ulaanbaatar.

View of Ulaanbaatar's Growing Population
*OW0305231788 Ulaanbaatar International Service
in English 0910 GMT 3 May 88*

[Text] The inhabitants of the Mongolian capital make up 26.2 percent of the country's population. The number of Ulaanbaatarites is expected to grow further by an average of 2.5 percent, or by over 10,000 persons yearly, to reach 550,000 by 1990. Consequently, this issue makes the food supply more acute. Now, it is high time that Ulaanbaatarites not only were consumers, but also self-provisioners of foodstuffs.

There also rises a question of erecting agricultural-industrial complexes around the capital city. These issues are subject for broad discussion in the capital city itself.

Environment Protection Society Holds Plenum
*OW0405050588 Ulaanbaatar International Service
in English 0910 GMT 3 May 88*

[Text] The Central Council of the Mongolian Society for Nature and Environmental Protection has held its second plenary meeting discussing new demands advanced in the sphere, and the role of the society's members. For

the past 5 years steppe fires occurred 1,000 times, damaging 5.4 million hectares of pasture land. The state spent over 80 million tugriks on combating fires. The forest reserve of the country is estimated at 11.4 million hectares, but, the neglect [as heard] of the work on reforestation for many years now brought devastation to over 400,000 hectares of pasture fields. These figures were brought forth at the plenary meeting, and it was stressed that it was the first and foremost duty of the society members and activists to prevent similar errors. The meeting outlined immediate tasks of the society and its members in protecting and restoring unique nature which Mongolia possesses.

The meeting considered organizational issues. Minister of Nature and Environmental Protection Mablet and President of the Mongolian Academy of Sciences Sodnom were elected deputy chairmen of the Mongolian Society for Nature and Environmental Protection. The society's chairman is alternate Politburo member of the party Central Committee and Deputy Prime Minister Lubsangombo.

Artist Troupe Tours PRC, DPRK Cities
*OW0305042388 Ulaanbaatar International Service
in English 1420 GMT 26 Apr 88*

[Text] An MPR art troupe made a performance tour of PRC and gave several concerts in Hohhot and Beijing. The performance of the Mongolian artists was highly assessed by Nei Monggol and Chinese spectators and the PRC press as well.

This troupe also visited the DPRK, performed on stage in several theaters in Pyongyang and Hamhung, and took part in the Druzhba [Friendship] International Art Festival. This spring festival was attended by 70 art collectives from 45 countries, the largest groups being those from the USSR, PRC, and MPR. Mongolian art was, in particular, represented by ballerina Yu. Oyuun, opera singer T. Purebdorj, and famous performer of folksongs G. Tumendemberel.

The performance of the touring Mongolian artists were more than successful. It was the expression of the aspiration for international friendship and cooperation. Our art was met with great interest by the PRC and DPRK working people, head of the touring troupe P. Erdenebulgan told a MONTSAME correspondent.

Briefs

1988 Harvest Target

Ulaanbaatar, 21 Apr (MONTSAME)—The goal of MPR grain-growers is to harvest 530,000 metric tons of grain in 1988. Five thousand three hundred caterpillar and wheeled tractors and tens of thousands of accessories are being made ready. Phosphorous and potash fertilizers

will be used on 820,000 hectares. Sowing is to be started on 25 April. [Summary] [OW250918 Ulaanbaatar MONTSAME in Russian 1430 GMT 20 Apr 88]

North Korea

Kim Il-song Receives Condolences From PRC
SK0505120088 Pyongyang Domestic Service in Korean
2100 GMT 29 4-88

[Text] The great leader Comrade Kim Il-song has received a message of condolence from Comrade Yang Shangkun, president of the PRC, and Comrade Wang Zhen, vice president of the PRC, in connection with the death of Comrade Yim Chun-chu, member of the WPK Central Committee Political Bureau and vice president of the DPRK. The message reads:

Pyongyang:

Comrade Kim Il-song, president of the DPRK,

Receiving the surprising news that Comrade Yim Chun-chu, member of the WPK Central Committee Political Bureau and vice president of the DPRK, unfortunately passed away, we, on behalf of the Chinese people, express our heartfelt condolences to you and, through you, to the fraternal Korean people, as well as to the family of Comrade Yim Chun-chu.

Comrade Yim Chun-chu devoted his all to protracted work for socialist construction in Korea and the independent and peaceful reunification of the country. He was a respectable comrade in arms and comrade of the Chinese people who actively worked for friendship between China and Korea during his lifetime.

The Chinese people will deeply cherish his memory.

[Signed] Yang Shangkun, president of the PRC and Wang Zhen, vice president of the PRC

[Dated] 28 April 1988, Beijing

KCNA on Japan's 'Wild Ambition' in Asia
SK0505043088 Pyongyang KCNA in English
0419 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—Shizuka Kamei, a right-wing member of the Japan Liberal Democratic Party, defended the aggressive acts of Japanese imperialism during the Second World War again, when he was interviewed recently by the U.S. magazine NEWSWEEK, according to a report.

He zealously defended Okuno, director general of the Japanese National Land Agency, who said Japan was "not an aggressor" in the Second World War, on April 22 when he went to the "Yasukuni Shrine." He described the allegations of other countries against it as "unacceptable."

He went so far as to openly challenge the international public with the talk that Japan did not "intend" to invade China, commenting on the "Marco Polo Bridge incident" in China, which sparked the Sino-Japanese war, but rather "planned to defend the Asian people from the white race."

This cannot but be called one more evidence to the openly revealed bellicose nature of the samurai descendants who are obsessed with a wild ambition for reinvansion to retake the old position of the "leader of East Asia."

As for the Japanese imperialists' aggression on Korea, it was carried out by means of armed forces and blackmail on the basis of the script that Japan would conquer Korea and the United States, the Philippines in accordance with the secret agreement between Japanese Prime Minister Katsura and U.S. Army Secretary Taft already in 1905.

The "Marco Polo Bridge incident" in 1937, like the "September 18 incident," was a despicable self-made drama the Japanese militarists invented to attack the Chinese army without the declaration of war and unleash an all-out war on fake pretexts.

The heinous Japanese imperialists did not hesitate to invade the Soviet Union in league with fascist Germany after occupying nearly the whole areas of Asia.

This notwithstanding, they had the cheek to reverse black and white describing their sanguinary history of aggression as one intended to "defend the Asian people from the whites." This eloquently shows that the Japanese reactionaries continue to cherish a wild dream of staging comeback to Asian countries still today with an axe to grind.

The comments of the director general of the Japanese National Land Agency and the right-wing member of the Liberal Democratic Party are by no means accidental "faults" of a few people. As one can see from a leaf falling that the autumn has come, they are obviously brigandish outbursts betraying the wild ambition of the Japanese reactionary ruling quarters for overseas aggrandizement.

The Japanese militarists must frankly repent of their aggressive past which had soaked Asia in a sea of blood and depart from the anachronistic way of thinking about reviving the ghost of Tojo.

Kim Il-song Sends Gift to Zambian President
SK0505041988 Pyongyang KCNA in English
0414 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—President Kim Il-song sent as a gift the film "The Friendship Mission of the Zambian People" to Zambian President Kenneth David Kaunda.

The gift was handed to the Zambian president on April 30 by Vice-President Yi Chong-ok who was visiting the country at the head of a DPRK government delegation.

President Kaunda expressed deep thanks for the precious gift of President Kim Il-song.

A conversation took place in a friendly atmosphere.

Anti-Americanism Noted Among South Students
SK0505112788 Pyongyang KCNA English
1021 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—The South Korean magazine "WOLGAN KYONGHYANG" in its April issue introduced wall papers often pasted up at South Korean University campuses.

According to it, prints prepared by students of Yonsei, Koryo, Ehwa Women's and other universities in Seoul who had occupied the "U.S. Information Service" in Seoul on February 24 were pasted up on notice-boards of the stated universities.

The wall papers said, "Today we students, a vanguard force for national independence, who are becoming well aware that the United States is the chieftain of national division and the real wire puller of the dictatorship, declare an uncompromising struggle against the United States."

It also laid stress on the comments that the occupation of the "U.S. Information Service" "signifies the full-dress torch of a death-defying struggle against the United States."

The wall paper pasted up at the Seoul University campus denounced the military drills at frontline units forced by the South Korean authorities upon students as one seeking a heinous aim to "perpetuate the national division and stabilize the U.S. colonial reorganization," and called for rejecting the military drills.

Following is the content of the wall paper which gave a very negative appraisal of the U.S. role:

"They who landed here in the summer of 1945, armed to the teeth, with bread in one hand and the guise of liberation army' in the other, finally bisected the clear sky and green mountains and rivers of Korea." "The U.S. imperialists are going ahead with suppression and plunder of our people, occupying the peninsula." "The South Korean Army has been reduced to a mercenary army which must be mobilized for the security of the United States in the Pacific, and South Korea turned into a U.S. forward base in Northeast Asia by the United States."

The wall paper pasted up at Koryo University said, "We can no longer allow our sovereignty to be determined by other country, and reject, upon our honor, any plot and logic aimed at fixing the situation where our vital rights are ruled by outside forces."

A wall paper pasted up in the name of the "Federation of Students to Struggle Against the U.S. Economic Aggression" (Hakturson) said:

"We students cannot submit to the United States' open national maltreatment and humiliation against our people and should cut off the chains of U.S. national domination and interference with the sharp edge of brilliant, staunch national ethos plus the spirit against outside forces and for national independence."

South To Form 'Special Olympic Security Units'
SK0505044488 Pyongyang KCNA in English
0434 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—The South Korean military fascist clique announced on May 4 that it would form "security special units" with more than 100,000 men of the puppet army and police on the pretext of "security for Olympics" on the one hand and install and operate more than 60,000 pieces of all equipment including metal detectors at airports, stadiums and sports villages.

It also announced that a "three-dimensional guard" would be kept for "security" of marathon and yachting races and armed personnel be posted aboard chartered vehicles for sports teams.

The fascist clique staged a farce of showing action of a "commando unit against terrorist acts" before the public at a drill ground in Tongjak district, Seoul, that day.

This shows how hard the No Tae-u military blackguards are working to create a terror-ridden atmosphere and intensify crackdown on the people under the pretext of "Olympic security."

The No Tae-u group, which suffered a lot from the people's fierce resistance in the process of the recent two "elections," is now scheming to dampen the people's spirit of resistance and make the "Seoul Olympics" a success at any cost at the point of the bayonet by organizing even 100,000- men special units.

Violations of Human Rights in South Denounced
SK0505112188 Pyongyang KCNA English
1018 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—The International Committee of Jurists for Democracy and Human Rights in South Korea issued an information on April 18

denouncing the South Korean puppet clique's violations of human rights, under the headline "Suppression of Trade Unions and Violations of Socio-Economic Rights."

The information noted that although the No Tae-u "regime" in South Korea is volubly talking about "democratization" and "human rights," the policy of crackdown on the labour movement is still [words indistinct] in force.

Exposing the deceptive nature of the "labour law" worked out by the South Korean puppets, it said:

The present South Korean authorities fixed low wages, no more than a half of the minimum wages for the workers, and are intensifying suppression of the labour movement. Arrest, torture and murder of workers are going on.

Democratization in South Korea can be realized only when political liberties and socio-economic rights are ensured, stressed the information.

It called upon the trade unions of all countries to strengthen solidarity with the labour movement in South Korea and lodge protests against the puppet clique's suppression of the labour movement.

Posters Disclose 'Seamy Side' of KAL Incident

SK0505044088 *Pyongyang KCNA in English*
0431 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—A wall paper was pasted up on the notice-board at the front gate of Pusan University at around 08:00 May 4, which called the "KAL incident a fake-up of the authorities for the 'maintenance of security'".

This wall paper published in the name of the propaganda department of the anti-U.S. youth association was printed in some 40 8-fold sheets under the title "Suspensions and Truth about the KAL incident."

It raised doubts under 11 subtitles including "Why do they fail to discover the hull of the plane?"

A wall paper disclosing the seamy side of the KAL incident was also pasted up on the wall of the library building of Kyongbuk University in Taegu at around 10:00 on May 2.

Much upset by this, the fascist clique drove police to launch a search campaign. The gumshoes of the puppet Taegu northern district police station put on the want list Pak Yong-il, a student of the philosophy course of Kyongbuk University on charges of violation of the "national security law" and have kicked up a racket throughout South Korea to arrest him.

CPRF Notes No's Involvement in 'All Scandals'

SK0505043488 *Pyongyang KCNA in English*
0426 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its Information No. 466 dated May 4 says that with no amount of attempts can the traitor No Tae-wu conceal his true color as a back-stage manipulator and accomplice in all scandals including the "New Village Movement Headquarters."

Noting that the puppet police headquarters on May 2 issued a repressive order to the police throughout South Korea to "strictly control" the on-street signature campaign of opposition organizations and students urging that the traitor Chon Tu-hwan and his wife be summoned and investigated, the information calls it a foolish attempt to turn back the flow of the times.

The traitor No Tae-u was deeply involved in all the irregularities of the traitor Chun, big and small, and made a colossal amount of illicit fortune-piling, it says, and goes on:

In particular, the traitor No, together with the traitor Chon, pocketed a fabulous amount of money as a back-stage wirepuller and accomplice of the recently uncovered scandal of the "Headquarters of the New Village Movement."

Such being the case, it is only too clear that the dirty nature of the traitor No will be brought to light in case the traitor Chon's irregularities should be dug open.

The traitor No, much upset, is making desperate attempts to bar the street signature campaign of the opposition forces and students at the point of the bayonet.

Daily on Defeat in Assembly Elections

SK0505045088 *Pyongyang KCNA in English*
0438 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—The traitor No Tae-u faced judgement by the people and suffered a crushing defeat in the South Korean puppet National Assembly elections. Yet he is making a splash about "complete change of appearance" and "revitalisation" and mumbling with all his caprice that he would lead "the national administration through dialogue and compromise" and accelerate "matured democratic politics" following "the will of the people."

This reveals his intention to paint military fascist dictatorship as "democratic politics" by distorting and abusing the "people's will" and save the political crisis by putting the nooses of "dialogue and compromise" around the necks of the opposition parties and thereby maintain and reinforce the colonial fascist rule, declares NODONG SINMUN in a commentary today.

The results of the puppet National Assembly elections are a clear sign that it is a vital demand of the South Korean people and an irresistible trend of popular sentiments to end the colonial fascist dictatorship in South Korea and make the socio-political life independent and democratic, notes the author of the commentary.

He says:

Should the opposition parties which obtained a majority in the South Korean "National Assembly" choose to compromise with the military fascist forces, instead of taking a stance of confrontation with the ruling party with an allied force, they will fall into a trap of the "Democratic Justice Party" which seeks to defeat the opposition forces one by one by splitting and disorganising them, alienating themselves from the broad democratic forces desirous of democratization against dictatorship and disappointing a great number of voters who cast their ballots for them.

The South Korean people of all strata and the democratic forces should never be taken in by the crafty splitting and disorganising machinations of the U.S. imperialists and the No Tae-u group.

The No Tae-u group must step down without delay, bowing to the will and demand of the people reflected in the "National Assembly elections." This is the best way of following the will of the people.

Papers Mark Anniversary of Karl Marx Birth
SK0505050588 Pyongyang KCNA in English
0455 GMT 5 May 88

[Text] Pyongyang May 5 (KCNA)—NODONG SINMUN and MINJU CHOSON today dedicate editorial articles to the 170th anniversary of the birth of Karl Marx, the great leader of the world working class and the founder of the scientific doctrine of communism.

A NODONG SINMUN article says:

The birth of Marx was that of an outstanding thinker and theoretician and a great revolutionary who brought about the start of the international communist movement and an epoch-making turn in the struggle for freedom and liberation of the working class and other popular masses.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, said: "Karl Marx made a great contribution to the liberation cause of mankind, and because of his immortal exploits his name is still enshrined in the hearts of the working class and peoples of all countries."

The greatest exploits performed by Marx for mankind is the creation of Marxism, the scientific doctrine of communism, through his tireless ideological and theoretical activities.

The creation of Marxism was an event of epoch-making significance in the development of the revolutionary struggle of the working class.

It helps the working class grasp the law of social development and understand its historic mission with its scientific world outlook and find the road of achieving freedom and liberation without exploitation by capital and building a new bright society.

Marx's outstanding contribution to and immortal exploits for the liberation cause of the working class and the working masses is also that he himself took part in the revolutionary struggle and paved the road ahead of it.

He conducted not only tireless activities to arm the working class and other popular masses with the revolutionary idea founded by him but also energetic activities to link scientific socialism with the working-class movement. He devoted his all to the cause of liberation of the working class against capitalism.

In accordance with the practical requirement of the revolutionary struggle, Marx organized the communist league and published the communist manifesto which he authored together with Engels. Thus he opened the beginning of the communist movement of the working class who fought under the leadership of a revolutionary party with scientific programme.

The founding of the First International by Marx enabled the working class to wage more energetically the struggle for class liberation and a new society, cementing militant solidarity on an international scale.

Marx was, indeed, an outstanding leader who provided the working class with a powerful ideological weapon and led their revolutionary cause through his energetic ideological and theoretical activities and active revolutionary struggle.

Noting that the revolutionary cause of the working class which was started by Marx has not come to an end, the article further says:

The important task at present for the accomplishment of the cause of socialism and communism is to oppose imperialism and accelerate the work of making the whole world independent.

It is inconceivable apart from the anti-imperialist, anti-U.S. struggle to win and consolidate national independence, accelerate the victory of the cause of socialism and communism, prevent a war and ensure world peace and security.

In order to discharge their lofty mission, the socialist forces and the international communist movement should realise unity and solidarity of their ranks.

Holding high the banner of independence against imperialism, our party and our people will, in the future, too, as in the past, continue to make energetic efforts to build a new independent and peaceful world free from imperialist domination and subjugation, nuclear weapons and war in firm unity with all the world progressive peoples advocating chajusong including the peoples of the socialist countries, stresses the article.

South Korea

Liberalized Cigarette Imports To Begin in June
SK0505010588 Seoul THE KOREA TIMES in English
5 May 88 p 1

[Text] The import of foreign cigarettes will be fully liberalized effective next month with a complete removal of various restrictions on the import volume, domestic sales and prices of foreign brands.

The advertisement of foreign cigarettes will also be allowed in all printed materials except women's and children's magazines and newspapers.

As a result, the prices of foreign cigarettes are expected to go down from the average 1,300 won per pack at present to the 680-730 won level, while all cigarette retail outlets across the country will sell foreign brands from next month.

The agreement on the import liberalization of foreign cigarettes was reached in the third round of the eighth working-level trade talks between Korea and the United States yesterday.

The Korean and U.S. delegations to the Seoul meeting will conclude their negotiations on the outstanding trade issues between the two countries by early tomorrow morning.

The Seoul meeting was originally scheduled to wind up yesterday but was extended by two days as the two sides failed to reach an accord on the cigarette issue.

In particular, the U.S. delegation led by Assistant Trade Representative Peter Allgeier is calling upon the Korean government to lower various taxes and levies imposed on foreign cigarettes to between 340 and 360 won, taking into consideration a suggestion from the Korean side headed by Hwang Tu-yun, director general of the Trade-Industry Ministry's trade cooperation bureau.

The U.S. mission is also demanding that advertisement of foreign cigarettes be carried even in women's and children's magazines.

But as the U.S. delegation is expected to accept the Korean side's proposal with regard to cigarette advertisement, negotiations over the cigarette issue were virtually concluded as of yesterday.

Based on a mutual agreement on the cigarette issue, the domestic prices of foreign brands are expected to go down to the 730 won level per pack, covering 340-360 won in various taxes and levies and the import unit price of 36.26 cents, compared to the current 1,100-1,300 won.

However, it is generally feared that U.S. cigarette makers will dump their brands on the Korean market at between 500 and 600 won per pack, taking advantage of Seoul's removal of restrictions on domestic sale prices of foreign cigarettes.

The import liberalization of foreign cigarettes and their sales on the domestic market regardless of their quantity is expected to go into effect from next month.

In the trade meeting, Seoul also agreed to open the market for avocados, meat extracts, frozen potatoes for French fries and vegetable juice effective July while standing firm against the U.S. demand for the import liberalization of oranges and grapes.

With the market opening for the four products, 50 other agricultural, forestry and fisheries items remain under pressure from the United States.

As for the 50 items, both sides agreed to deal with the market opening issue as a package, classifying them into three categories—high value products, forestry products and bulk commodities.

U.S. Now More 'Subtle' in Trade Talks
SK0505013688 Seoul THE KOREA HERALD in English
5 May 88 p 6

[By staff reporter Choe Nam-hyon]

[Text] The United States, which is trying to change its image of a demanding Big Brother, has become more subtle and conciliatory in its approach to trade conflicts with Korea.

That change has followed the defeat of Korea's government party, which failed to win a majority of the National Assembly seats in the April 26 general elections.

It is dawning upon the United States that the Korean government cannot keep its promise any longer without the approval of opposition parties.

A high-ranking U.S. official said yesterday that his government is not asking for the immediate removal of import barriers in Korea against U.S. agricultural products other than beef.

The United States, he said, fully understands problems facing the Korean government in pushing for a structural change in the production of agricultural commodities.

So the United States is not demanding any immediate action on the part of Korea, said the official who is a member of the U.S. delegation to the current Korea-U.S. trade talks.

It was unthinkable a few months ago for the United States, which often threatened Korea with Section 301 of the U.S. Trade Act, to take such a conciliatory stance. Many U.S. firms have filed suits against Korea for alleged unfair trade practices.

The change in attitude, however, does not mean that the United States has relented in its demands. It is more of a tactical change in its negotiations with Korea.

The U.S. request for the protection of 911 substances patented but not marketed is a good example.

Backing down from its previous demands for 10-year protection, the United States proposed at the trade talks that Korea protect all of them for five years and marketed substances of the 911 items for another five years.

The U.S. concession is only nominal because it is not worth protecting those patented substances which are not marketed in five years.

The United States also made consistent demands that the Korean market be opened wider for U.S. cigarettes, beer, wine, advertising and insurance business.

The U.S. delegation to the trade talks suggested Korea and the United States take a more general approach to trade conflicts rather than item-by-item negotiations.

For example, the United States wants to negotiate the lowering of tariffs in general rather than a tariff imposed on one item.

Item-by-item negotiations tend to escalate confrontation on items of small commercial value, the U.S. team said.

Such confrontation tarnishes the U.S. image among Korean people and antagonizes them.

In the past, the United States did not have to have much concern about its image because the Korean government, supported by the strong democratic Justice Party, could implement its promise once it was made.

But it is not the same with the opposition parties, which can effectively block the government's move once they are united to do so.

With this new development in mind, the Korean delegation told the U.S. team that the government will develop trade policy in consultation with the opposition parties as well as the DJP.

A U.S. official said difficulties in bilateral trade relations are expected to continue until Korea and the United States get used to the opposition parties' domination of the National Assembly.

It is important for the two trade partners to establish new trade relations, said the official who did not want to be identified.

Paper Carries Series on U.S. Trade Talks

Talks Approached With Caution

SK0305014988 Seoul THE KOREA TIMES in English
3 May 88 p 1

[First segment of a three-part series on outstanding trade issues between South Korea and the United States by staff reporter Choe Won-sok: "ROK-U.S. Trade Friction—1; No Remarkable Progress Expected in Seoul Meet"]

[Text] The U.S. trade pressure against Korea which seemed to have been somewhat relaxed by the domestic political development is once again drawing keen attention from both the general public and business circles with the start of the eighth working-level trade talks between the Korean and U.S. delegations in Seoul.

Even though the U.S. delegation led by Assistant Trade Representative Peter Allgeier to the Seoul meeting ending tomorrow wants more concessions from the Korean side, it is generally expected that solutions to the outstanding trade issues between Korea and the United States will see no remarkable headway.

The main reason is that the role of the Korean delegation headed by Hwang Tu-yon, director general of the trade cooperation bureau of the Trade-Industry Ministry, is much restricted because of the ruling Democratic Justice Party's failure to secure a majority in the recent parliamentary elections.

The Korean delegation is especially afraid of the reaction from the opposition in the event of easy concessions to U.S. demands.

On the other hand, the U.S. side is also more afraid than before of generating anti-American sentiment among the Korean public to be caused by driving the Korean delegation into a corner.

The recent remarks by Kim Tae-chung of the largest opposition Party for Peace and Democracy that the U.S. trade pressure increases anti-American feelings in Korea is likely to restrain the U.S. delegation from wresting many concessions from the Korean side in the Seoul meeting.

Although the relevant government ministries are aware of the necessity of staving off trade friction with the United States, the mounting trade pressure from the U.S. government is generally regarded as "excessive" by the public and business circles as they believe that the Korean economy is not strong enough yet to fully accept U.S. demands.

In contrast, the United States, which is now suffering from an accumulating trade deficit with Korea, believes that the Korean economy can stand alone on its own two feet, thereby leading on its own two feet, thereby hoping to get more trade concessions from the Korean side. [sentence as published]

Noticeable among the agenda items in the Seoul meeting is the U.S. demand for the reduction of tariff rates for 281 products.

The United States demands the cut of customs duties for a total of 982 industrial products since 1984, for 701 of which the government has reduced tariffs on six occasions.

The import liberalization of beer and wine markets and the reduction of their customs duties is also another sizzling trade issue between the two sides.

The U.S. delegation is particularly demanding that the Korean government should drastically lower the present 100 percent tariff rate imposed on wine and the 80 percent customs duty levied on beer.

As for the liberalization of the wine market, the Korean side suggests its full opening by 1991 but the U.S. delegation insists on the advance of its timing.

The U.S. side also calls for the abolition of wine import quotas which recently drove U.S. wine producers to file a petition with the U.S. Trade Representative against Korea in accordance with Section 301 of the U.S. Trade Act.

Other issues which are being tackled between the two delegations in the Seoul meeting are the protection of intellectual property rights and the liberalization of the advertising market.

In the case of intellectual property rights, the U.S. delegation calls for the protection for 10 years of those which won patents rights in the United States between 1981 and 1987 but were not yet on sale.

The Korean side proposes to exclude those items which have been already produced by local companies from retroactive protection.

The U.S. delegation also wants the Korean government to prevent illegal copying of foreign publications.

In the field of advertising, the U.S. side calls upon the Korean government to allow American advertising companies to establish 100-percent invested subsidiaries or branches in the Korean advertising market.

The Korean side has only allowed foreign advertising companies to form joint ventures with domestic business concerns effective October this year.

The share of foreign advertising companies in joint ventures with Korean businesses is limited to 49 percent.

Cigarette Issue 'Hard To Settle'

SK0405014788 Seoul THE KOREA TIMES in English
4 May 88 p1

[Second segment of a three-part series on outstanding trade issues between South Korea and the United States by staff reporter Chae Hui-muk: "Trade Friction—2; U.S. All Out To Export Harmful Cigarettes"]

[Text] Korea and U.S. trade negotiators will find it hard to settle the dispute on the cigarette issue at the two-day talks ending today unless the U.S. fully understands the current Korean stance.

The Korean government has already suggested making all the concessions available under the current system.

But, the United States demands the revision of laws which require the approval of the National Assembly whose majority seats are shared by opposition parties, and some of the contentions are unreasonable.

The U.S. Trade Representative [USTR] has already decided to launch an investigation into alleged unfair trade practices by the Korean government and the Korea Monopoly Corp. (KOMOCO).

At the Seoul talks, a government official said, the U.S. delegation is very likely to threaten to wield the weapon of "USTR investigation" promptly unless its demands are met.

More than anything else, the U.S. side seemed to want to settle the cigarette issue along with intellectual property rights at the talks, he said.

The Korean side is unable to accept all the U.S. demands, he said, as the government has little room for maneuver.

High on the agenda are the free sale of U.S. cigarettes in the domestic market without the intervention of KOMOCO, a unified excise tax equally applicable to both domestic and foreign brands, and advertisement and sales promotion activities without restriction.

Cigarettes are closely related to the income of farmers, for whom a considerable number of opposition party lawmakers pledged to do their best at the National Assembly during their election campaign.

On the other hand, it should be remembered that cigarettes are harmful to human health and a "no smoking" campaign is widespread worldwide, even in the United States.

A trade expert said that he can hardly understand why the United States is making desperate efforts to export cigarettes which are harmful to human health for Korea.

He compared the sale of cigarettes by the United States in Korea to opium sales by Britain in the Ching Dynasty.

Even though the cigarette exports would contribute to improving the U.S. trade deficit, it would implant a negative image of America in Korean people and would cause greater loss in the long run, he said.

He also said that U.S. demand even involves intervention in domestic affairs by foreign powers. For example, if the Korean government were to revise the monopoly system and lower consumer prices of foreign cigarettes promptly to the level requested by them, this would require revision of pertinent laws.

Cigarette advertising the Korean government has not even allowed KOMOCO because of their probable adverse effects on youth and women.

The World Health Organization has also recommended that its member countries restrict the advertising of cigarettes for similar reasons, a government official said.

He said that U.S. citizens have strongly opposed the sales activities of their cigarette manufacturers due to health problems recently.

An opposition lawmaker said, "We opposition parties will not bow to the U.S. pressure on cigarettes, beef and other farm products to the full as the past National Assembly did."

"Our farmers can not be sacrificed to U.S. industrial structural problems although the United States has recorded a growing trade and budget deficit," he said.

Upcoming U.S. Talks Viewed

SK0505011488 Seoul THE KOREA TIMES in English
5 May 88 p 6

[Final segment of a three-part series on outstanding trade issues between South Korea and the United States; by staff reporter Kim Chae-il: "Trade Friction—3; U.S., Korea About To Face Tug of War on Agricultural Product Issue"]

[Text] Insofar as the agricultural market opening issue is concerned, Korea and the United States will continue to wage a tug of war as no particular outcome has been produced from the Seoul trade meeting.

Seoul allowed the market opening for such four products as avocados, meat extracts, frozen potatoes for French fry and vegetable juice, effective from July.

From the beginning, the agricultural market opening was expected to be high on the agenda of the meeting because Washington has called for market opening for 54 agricultural, marine and forestry products.

Without agreement to the market opening schedule for 50 other products on an item-by-item basis, both sides handed the sensitive issue over to a Korea-U.S. economic meeting, to be held possibly in June.

Instead, the two sides agreed to deal with the issue in packages by classifying the pending items into three categories—high value products, forestry products and bulk commodities.

Noteworthy is that Seoul responded positively to the U.S. demand to negotiate over the import of the "three-category" products, based on the bilateral agreement in a 1987 Washington meeting, said officials at the Agriculture, Forestry and Fisheries Ministry.

According to them, Korea and the United States reached an agreement to discuss the issue in an economic consultative meeting in June, 1987, but Seoul has made no response to the U.S. requests.

The comparatively toned-down stance of Washington in connection with the agricultural market opening was based on its understanding of the Korean political situation resulting from the just concluded general elections, the officials analyzed.

A ministry official said, "In the days to come also, the government will not be able to decide the market opening matter because of the situation featuring the majority of the opposition parties in the National Assembly."

He said that the market opening progress is "not expected to be so smooth."

"Highly likely is that the feeling of the anti-Americanism will grow in the course of collecting and screening public opinion," he said.

Unlike industrial products imports which will improve the quality and strengthen competitiveness of local production, he said, the agricultural market opening will be directly related to the restructuring of agriculture and job transfers.

So as not to affect the domestic production base and income of farmers, the government agricultural market opening cannot but to be done in a "conservative" manner, he said.

The market opening rate for agricultural, marine and forestry products stands currently at 69.5 percent, compared with 95.4 percent of the nation's total.

In line with the market opening program, the government allowed imports of 31 agricultural, forestry and marine products in 1983, 18 items in 1984; 14 items in 1985; 18 items in 1986; and eight items in 1987. This year, importation of three items was allowed.

Of the total 793 items, based on customs cooperative counsel nomenclature system, 551 items are open to foreign countries, at present.

The United States calls for immediate market opening for 54 agricultural, fisheries and forestry products. Imports of two kinds of fruit cocktails were allowed in April.

Washington requests Korea to lift import restrictions from 38 items, including beef, fruits, processed meat, vegetables and various juices.

Seoul is also urged to abolish supervision on imports of five items, including frozen fruits and vegetables, and special laws for 11 items, including compound feed ingredients, alfalfa and potato flour.

Meanwhile, the beef issue, which was dropped from the agenda of the Seoul meeting, was discussed at the GATT directors' meeting yesterday. It decided to organize a panel to investigate the Korean ban on beef imports under an agreement with Seoul.

New Envoy to U.S. on Trade Relationship
SK0505011688 Seoul THE KOREA HERALD in English
5 May 88 p 2

[Text] Pak Tong-chin, 65, new ambassador to the United States, yesterday emphasized the necessity for changes in people's attitudes toward the Korean-U.S. relationship.

"The time has passed when we Koreans have to evaluate the national interests by the amount of exports. At one time, we thought that the more we export, the better. But now, the Korean-U.S. relationship needs to be understood in a broader context," said the former foreign minister.

For example, he said, the ongoing disputes between the two countries on trade issues should be "welcomed" in a sense because such disputes were triggered by Korea's growing economy.

"The more important thing is that both sides try to reach an agreement through continuous diplomatic contacts and reconciliation to prevent a prolonged uncomfortable relationship between the two countries," said Pa who will leave for Washington Saturday.

The veteran diplomat said the close relationship between Korea and the United States is particularly important as the relationship is not only a matter between the two countries but also affects Korea's relationship with the whole world.

Cooperative relationship between Korea and any other countries is possible only when both sides are willing to compromise, he said. "We should first decide what we can give and what we cannot. Once we decide what we can give, we have to give. At the same time, we should think about what we can take," said Pak.

Amb. Pa warned that people may lose more if they stick to every small interest. "You have to have a capability to see the woods rather than to only pay attention to small twigs."

Commenting on he results of the April 26 general election, Pak said he does not expect any difficulty in carrying out diplomatic tasks because of the weak ruling party and the strong opposition.

"I believe the ultimate goal of politics, transcending interests of each party, is to pursue interests of the nation and its people. It is a custom that when facing an important diplomatic issue, people, regardless of their political affiliations, cooperate. In my knowledge, the opposition party leaders have full understanding on it," Pak noted.

U.S. Investments Increase 26 Percent
SK0405025288 Seoul YONHAP in English 0229 GMT
4 May 88

[Text] Seoul, May 4 (YONHAP)—U.S. investments in Korea increased in the first quarter this year by 26.8 percent from a year earlier, while Japanese investments declined by 9 percent, according to the Finance Ministry.

Ministry figures showed that foreign investment in Korea on an approval basis amounted to 220.52 million U.S. dollars in 96 projects during the first three months of this year, compared with 284.32 million dollars in 87 projects in the corresponding period of last year.

During the cited period, U.S. companies invested 88.68 million dollars in 36 projects in Korea, up from 69.97 million dollars in 22 projects a year earlier, while Japanese firms invested 86.69 million dollars in 39 projects, down from 94.45 million dollars in 50 projects.

European nations invested 24.61 million dollars in 13 projects during the January-March period, compared with 68.73 million dollars in seven projects a year earlier.

The ministry attributed the increase in U.S. investment and the decline in Japanese investment to Korea's efforts to diversify its technology import sources and redress trade imbalances with the countries.

Foreign investment in manufacturing sector amounted to 139.90 million dollars in 77 projects during the period, compared with 230.45 million dollars in 78 projects in the corresponding period of last year. Foreign investment in the service sector reached 79.76 million dollars in 16 projects, an increase from 51.73 million dollars in five projects, the ministry said.

Government To Promote Won as 'Major Currency'
SK0505020188 Seoul THE KOREA HERALD in English
5 May 88 p 6

[Text] The government will promote the internationalization of the national currency by making the won a major currency in settling international transactions.

In line with its financial internationalization policy, it plans to enlarge the scale of domestic banking institutions, Minister of Finance Sakong Il said yesterday.

The ministry will also allow the establishment of overseas funds to encourage Koreans' indirect investment in foreign capital markets, while permitting local institutional investors such as securities, insurance and investment firms to directly invest in foreign money markets, he said.

In a lecture on "Financial Industry's Advancement and Internationalization Strategy," Sakong said the government will open more business lines to foreigners' investments here.

To further deregulate the domestic financial industry, the government will leave the personnel management and other decisions to financial institutions and realign their functions, while reducing policy loans.

It will enable banks to make decisions on corporate insolvencies and increase credit supply to small businesses, industries for domestic consumption and low-income bracket people.

Capitalizing on the massive international payment surplus, the government will further encourage local businesses' or individuals' overseas investments.

To this end, the loans extended by Korea Export-Import Bank will be expanded and their terms softened, Minister Sakong said in a lecture made at the training center of the Korea Standard Association in Ansong, Kyonggi-do.

To prevent economic concentration, the ministry will restrict the participation of large conglomerates in the establishment of new financial institutions, he said.

It also will divide the management and ownership of the banking organizations and gradually deregulate the interest rates.

The current strict foreign exchange control will also be relaxed in principle with some exceptions, he said.

Government To Revise Regulatory Structure
SK0405013788 Seoul THE KOREA HERALD in English
4 May 88 p 6

[Text] The government will push for a change in the nation's industrial structure by revising regulatory statutes, Minister of Trade and Industry An Pyong-hwa said yesterday.

It is necessary to restructure the nation's industries to accommodate the won's rapid appreciation and wage increases, he said.

In a lecture to government officials and private-sector employees handling economic relations with foreign countries, An said the government plans to keep its role in industrial restructuring to the minimum.

The government will present its study on changes in the international division of labor and trends in industrial development to the private sector, he said.

Its role, he said, will be limited to fostering prospective infant industries and promoting balanced industrial development.

For this purpose, he said, the government will seek to revise 186 statutes hampering free competition.

Private economic organizations, he said, are urged to have a greater capacity for coordination, information gathering and analysis to meet the change in the business environment.

The government will help the private organizations promote autonomous coordination, he said.

He said the government will hand over much of its role in coordination to the private economic organizations.

To reduce trade conflicts, he said, the government will keep the trade surplus at an appropriate level by removing barriers to imports.

It will also diffuse exports, now concentrated on the U.S., Japanese and a few other markets, to other regions, he said.

Reports on Selling of M-16 Rifles Denied
SK0505054788 Seoul CHOSON ILBO in Korean
5 May 88 p 2

[Text] In connection with the foreign press report that Korean-produced M-16 rifles were illegally sold to foreign countries, on 4 April, a person in authority in the [ROK] Ministry of National Defense strongly denied this report, saying, "M-16 rifles are produced with the approval of the U.S. Government and have never been sold or exported from this country."

Daewoo Issues Denial
SK0505051088 Seoul HANGUK ILBO in Korean
5 May 88 p 5

[Text] In response to the statement by Representative Nichols, chairman of the Research Subcommittee of the U.S. House Armed Services Committee, who said it had been disclosed that Korean-made M-16's were illegally sold to third countries, Daewoo on 4 April explained by stating: "We have never exported fully-fabricated M-16's to foreign countries. However, in May, 1987, Jet Aviation of Singapore ordered rifle parts for civilian use. We handled these parts on a commercial-item basis, and we are not responsible for whether or not these parts were exported to third countries."

PPD Names Assembly Post Candidates
SK0505014288 Seoul THE KOREA HERALD in English
5 May 88 p 2

[Text] The opposition Party for Peace and Democracy plans to recommend Rep. No Sung-hwan for vice National Assembly speaker, according to PPD sources yesterday.

The other of the two Assembly vice speaker posts is to go to the opposition Reunification Democratic Party, while the ruling Democratic Justice Party alone will recommend a candidate for Assembly speaker.

The speaker and two vice speakers are picked through votes in the Assembly.

Meanwhile, the PPD decided to introduce a top party vice presidency, a post equivalent to the chairmanship of the ruling party. The decision was made at a meeting of a special panel to revise the party constitution.

Sources said acting party President Pak Yong-suk is the most prospective candidate for the top vice president.

Prospects for four other party vice presidents are Mun Tong-hwan, Choe Yong-kun, No Sung-hwan and Pak Chong-tae, said the sources.

The 71-seat PPD also decided to form two special committees within the party, one for security and defense and the other for social welfare.

PPD sources said the party will soon appoint new major party officeholders, including secretary general, floor leader and chief policymaker, and recommend three candidates for chairmen of the Assembly standing committees.

Column Notes Strains Within PPD
SK0505015388 Seoul THE KOREA TIMES in English
5 May 88 p 2

[from the "Press Pocket" column: "Internal Pressure"]

[Text] Kim Tae-chung must have boosted his popularity among some sectors of the public over the past few days with his series of conciliatory remarks following the 13th general elections.

But there seems to be an element within the party, which is stepping up pressure on the PPD to maintain its hardline stance.

One wallposter at the head office charged that the PPD, purported to be promoting the rights of the masses, seems to be quickly losing its interest in the problems of citizens and students who are fighting for their "intrinsic rights."

It urges the PPD to keep on fighting and struggling for democratization and for the promotion of the interests of the workers, the urban poor and other common citizens. The poster warns that the PPD is likely to lose public support as it softens its stance.

One PPD senior member said the wallposter reflects "the minority view" of the party, adding that more than 90 percent of the PPD key post holders are in agreement with the moderate tone of Kim Tae-chung.

He, however, noted that the PPD is likely to alienate some core loyalists while it seeks to broaden its support base.

Many outsiders expected that 99 dissident recruits, 10 of whom got elected as lawmakers in the 13th general elections, would consolidate their progressive and hardline stance both in the party and in the National Assembly.

But these dissident recruits are watering down their radical and progressive colors too. Some said they are in agreement with Kim Tae-chung's conciliatory tone these days.

Opposition Seems Wary of DJP Secretary General
SK0405015988 Seoul THE KOREA HERALD in English
4 May 88 p 2

[By staff reporter Sim Yong-su]

[Text] Former four-star Army general Pak Chun-pyong's appointment as the DJP secretary-general prompted a cautious yet popular suspicion that the military may be regaining its influence in politics.

The 57-year-old Pak, whose name has been linked with the 1980 Kwangju incident, doesn't appear to be the best choice for the party's No. 3 post, political watchers said.

This is especially true now because the ruling party is anxious to improve its relations with the opposition parties after its stunning election setback a week ago.

President No Tae-u may be backing away from his election promise of excluding persons with military background from key government and party posts, opposition politicians said.

When Pak's appointment was announced Monday, even some party officials thought it was incredible.

They are worried about anticipated repercussions, particularly from opposition parties and the politically sensitive college students.

Known as a hardliner in the ruling camp, Pak has long been blamed by the opposition for his alleged role in the Kwangju incident.

When he appeared at the party office Monday afternoon, Pak was asked by a reporter:

"Is there popular opinion that your appointment to the secretary-general does not match President No Tae-u's promised civilian rule?"

Pak said in reply, "I was elected to the National Assembly twice, all through popular vote. It is undesirable to argue over what I was and did in the past."

"I entered politics because I wanted to do something for this nation and the political development. Please never mention my past," Pak told reporters.

A former commander of the Defense Security Command, Pak took over his new post from Sim Myong-po, a moderate former newspaper editor who resigned last weekend with 27 other key party officials to take responsibility for the election outcome.

Upsetting popular expectations, the DJP won only 125 of the 299 National Assembly seats in last Tuesday's vote to become the first ruling party without a parliamentary majority in the republic's history.

Pak's winning the party's No. 3 post despite his controversial link to the Kwangju incident and his hardliner image reflects how much influence he has in the powerholder group, political analysts said.

Some DJP officials agreed that President No might have been hesitant to give Pak the powerful party post.

The local press didn't expect Pak's appointment.

Last week, Seoul dailies and televisions picked as likely candidates the moderate politician Yi Chong-chan, former party floor-leader, and Yi Han-tong, former secretary-general.

Sources close to the Chongwadae said that Pak was mentioned early but was excluded in face of strong opposition.

But No finally chose Pak after lengthy talks with his closest aides with military background, such as Yi Chun-ku, and Chong Ho-yong.

Asked to explain the background for Pak's appointment, party spokesman Yu Kyong-hyon, replied, "You still need my own view? It is up to you. You may know better than I."

Pak's appointment has political implications at a time when it is still uncertain who will emerge as No's successor in 1992, political observers said.

A native of Okchon, Chungchongbuk-do, Pak is widely known as the most important of retired Army generals along with two other Paks—Pak Se-chik, president of the Seoul Olympic Organizing Committee, and Army chief of staff Pak Hui-to.

All 12th-class graduates of the Military Academy, they were dubbed as the "three Paks," who political observers said are the figures to watch in connection with the 1992 presidential race.

If he hopes to stay long in his new post, observers said, he may have to change his style and project himself as a moderate figure.

His alleged link to the Kwangju incident is expected to be focused on when the new National Assembly convenes.

Opposition politicians, particularly of Kim Tae-chung's Party for Peace and Democracy repeatedly said that they will seek to form a special parliamentary panel to probe into the incident.

His political fortune seems to largely depend on whether he will be able to build up a rapprochement with the three opposition leaders, the three Kims, who he once dismissed as "radicals."

RDP, NDRP 'Tacitly' Approval DJP Speaker
SK0405021588 Seoul THE KOREA HERALD in English
4 May 88 p 2

[Text] The Reunification Democratic Party will not oppose the ruling party's selection of Kim Chae-sun as Assembly speaker, a party official said yesterday.

Secretary-general Pak Chong-yol said that the RDP would not take the side of the rival opposition Party for Peace and Democracy which expressed objection to Kim. The minor opposition New Democratic Republican Party also expressed tacit approval on the Democratic Justice Party's designation of Kim as speaker.

Kim Tae-chung, former PPD President, however, warned yesterday that the DJP had better readjust the selection of the speaker.

"A grave situation would arise if the DJP insists on naming Kim as speaker," the opposition leader said, adding that Kim is not qualified because he cooperated in the implementation of Yusin (Revitalization) by former President Pak Chong-hui in 1972.

Kim, now publisher of a monthly magazine, was an influential politician during the Third Republic and as the floor leader of the now defunct Democratic Republican Party, he was once the counterpart of former RDP president Kim Yong-sam.

Secretary-general Pak expected the DJP's choice as speaker to be approved in the new Assembly despite the PPD's objection.

Pak also predicted a concerted opposition refusal of the DJP's plan to allocate only six of the 13 Assembly standing committee chairmen to the three opposition parties.

"The three parties would not be content with six and would probably demand more," he said.

Meanwhile, former president Kim Yong-sam refused to comment on the DJP's new lineup announced Monday.

But he said the RDP would cooperate with the DJP when it takes the right road of democratization but would not let the ruling party go unchallenged if it refuses to compromise.

NDRP To Set 5-Year Party Development Plan
SK0505020688 Seoul THE KOREA HERALD in English
5 May 88 p 2

[From the "Out and About" column: "NDRP Development Plan"]

[Text] As part of its ongoing effort to be known as the most democratized opposition party, the New Democratic Republican Party (NDRP), will work out a five-year party development scheme before the end of June this year.

A special task force will be established soon to map out the ambitious plan, the first of its kind for the opposition parties, a party spokesman said.

Among other things, the proposed task force will single out laws and regulatives running counter to the development of democratic systems and refer such controversial laws and regulations to the National Assembly for immediate killing.

Opposes No's 'Confidence Vote'
SK0505011988 Seoul THE KOREA TIMES in English
5 May 88 p 2

[Text] New Democratic Republican Party president Kim Chong-pil made it clear yesterday that his party opposes holding a vote of confidence on President No Tae-u as promised by him during the December presidential campaigns.

The NDRP president told reporters yesterday that "those political forces should not attempt to use it as an occasion to topple the government," apparently referring to the Party for Peace and Democracy.

"The government may call a vote of confidence concerning a specific issue. Our party will deter any attempt to interrupt the presidential term (through a vote of confidence)," said Kim.

Kim asserted that the Seoul Olympics to open in September, "which is the foremost national project, should be staged successfully by all means."

The NDRP president, however, said that his party would seek to investigate corruption scandals perpetrated during the Fifth Republic government and bring to light the real picture of the May 1980 Kwangju uprising during the term of the 13th-term National Assembly.

The 62-year-old politician said that his party would also seek to have sessions of the National Assembly televised.

"All the activities in the Assembly should be open to the public so that the executive and legislative branches may be able to check against each other," Kim said.

He added that he would discuss the matter in a meeting of the leaders of the ruling and opposition parties.

Bill Drafted on Extradition of Criminals

SK0505014088 Seoul THE KOREA HERALD in English
5 May 88 p 3

[Text] The Ministry of Justice yesterday announced that it has drafted a bill regarding the surrender of fugitives in the face of increasing international crimes.

A ministry spokesman said the bill was designed to pave the way for Korea in signing treaties on extradition of criminal suspects with foreign countries.

Although an increasing number of criminal suspects escape overseas, Korea has remained helpless because it has no international extradition treaties, he noted.

In March, the Korean government initialed an extradition treaty with Australia. It is the first such pact initialed by Korea with a foreign nation.

The bill would stipulate that extraditable under the domestic laws of Korea and a foreign country would be those who committed crimes punishable by one year's imprisonment or a heavier penalty.

Political offenders are not subject to extradition as regulated in international conventions.

The bill states, however, those who assault a head of state, hijackers and international terrorists are not included in the category of political offenders.

According to the draft, Korea can reject a foreign country's demand for extradition of a fugitive when: — His or her case is pending in a Korean court or a sentence has already been passed on him or her —The Korean government believes there is no due reason for his or her extradition.

The bill is characterized by the principle of reciprocity, a ministry official said.

Even if a foreign country is not a signatory to a bilateral extradition treaty, Korea can surrender a fugitive to the country if it is internationally guaranteed that the country would accede to Korea's similar requests in the future, he said.

Under the bill, the government of a foreign country should make an extradition request to the Korean minister of foreign affairs in documents.

The minister then sends the documents to the minister of justice, who will order the Seoul High Prosecutor's Office to ask the Seoul Appellate Court to screen the validity of the request.

If found valid, the court will issue a warrant to arrest the fugitive to the prosecution, which then hands over the criminal suspect to the foreign country concerned after arresting him or her.

When the request is judged as unreasonable, the court is entitled to turn it down to protect his or her human rights.

Even if the court judges he or she is extraditable, the judgment can be overruled by the minister of justice.

The minister is empowered not to surrender a fugitive when the foreign country concerned withdraws an extradition request or when the extradition is considered detrimental to Korea's national interest.

A fugitive to be extradited should be handed over to a government official of the foreign country concerned at a Korean prison, where he or she is detained, within 30 days after an extradition order was issued.

On the part of Korea, the minister of foreign affairs files an extradition request with the government of a foreign country after the minister of justice decided on the extradition.

Justice ministry officials said that the bill, if approved by the National Assembly, will be effective retroactively.

When the draft law becomes effective, they said, it can help wash away from the Korean people the long-standing misconception that one can escape legal punishment if he flees to a foreign country after committing a crime in Korea.

"It will also contribute to the protection of a criminal suspect's human rights by preventing such illegal extradition means as abduction and expulsion," they said.

Justice Ministry Plans Rights Protection

SK0405011388 Seoul THE KOREA TIMES in English
4 May 88 p 3

[Text] The Justice Ministry plans to set up a special Court of Constitution in order to better protect the basic rights of the people. Under the plan made public yesterday, the court can check all legal provisions to see if they are in violation of basic law.

The court will be empowered to look into the legality of Presidential ordinances, such as declaring martial law, which has been thus far regarded as an act beyond the criteria of judicial screening.

The court is to be composed of nine judges. They are three from the National Assembly three from the Supreme Court and three appointed by the President.

The main business lien of the special tribunal will be that of conducting judicial screening of impeachment, disbandment of political parties, and administrative disputes.

However, the sentences of other courts are not in the domain of the special court.

Government Sets Labor Dispute Guidelines
SK0305031888 Seoul THE KOREA HERALD in English
3 May 88 p 3

[Text] As labor unrest is spreading to small companies, the government said it will get tough with any employers and employees who intentionally violate provisions of labor laws.

The Ministry of Labor Affairs devised a set of guidelines aimed at establishing stable management-labor relations. The guidelines were unveiled at a meeting of chiefs of regional labor offices yesterday.

Under the guidelines, the ministry will seek harsh punishment against employers who refuse to enter into collective bargaining with legitimate trade unions and obstruct the formation of trade unions.

The ministry will take steps to arrest employers who do not pay wages for three months or more and who embezzle company funds, a ministry spokesman said.

It will seek the maximum possible punishment against employers who resort to lockouts and mobilization of pro-management workers in order to break strikes or protests by workers.

Labor unions will also not escape stiff punishment if they stage strikes without gaining consent of the majority of their membership, the ministry said.

Workers who stage a go-slow illegally during the cooling-off period will be also punished.

The anti-labor unrest steps came after top executives of two companies—Oriental Precision Co. and Koryo Leather Industrial Co.—were recently booked on suspicion of violating the Labor Standards Law. It was the first time that company representatives were booked since labor unrest spread to work sites across the nation last summer.

In the case of the precision machinery company, Chairman Pak Yul-sun and two other executives were booked for avoiding sincere pay negotiations with the company's union.

The steps also came amid signs that labor disputes are spreading to small and medium companies. According to ministry statistics, 450 labor disputes have taken place in the first four months of this year.

Out of these, 330 cases were reported to pertinent labor offices in accordance with labor laws.

The ministry said only 15 labor unions were found engaged in group actions in accordance with labor laws, with other unions resorting to illegal means.

Ilhae Institute Changes Name, Operations
SK0405050088 Seoul YONHAP in English
0437 GMT 4 May 88

[Text] Seoul, May 4 (YONHAP)—Board members of the Ilhae Institute, a think tank founded by former President Chon Tu-hwan, decided Wednesday to rename it the Sejong Institute thereby severing all connections with the founder.

The institute, originally named after its founder's pen name, has been caught up in controversies over questionable fund-raising methods and its suspected involvement in a stock market scandal.

Sejong is the name of a king during Korea's Yi dynasty (1392-1910) who invented Hangul, the Korean alphabet. Sejong is renowned for academic and scientific achievements during his rule.

Also during Wednesday's meeting, the board members agreed to operate the institute independently based on the board's decisions.

The board also decided to open the institute's controversial guest house, located in the institute's compound, to the public. The plush house, with seven bedrooms, also features a swimming pool in the basement and a sauna bath built for the founder but never used.

Former President Chon requested that the institute change its name and operating structure during a news conference on April 13 when he announced his resignation from all public posts assuming responsibility for his younger brother's involvement in massive corruption scandals.

Olympic Security Chief on Preparedness
SK0505020088 Seoul THE KOREA HERALD in English
5 May 88 p 11

[Text] On a September day this year, a group of terrorists are occupying the third floor of an apartment at the Seoul Olympic Village in southeastern Seoul.

After the terrorists rejected authorities' negotiation offers, several anti-terrorist commandos, using ropes from the top of the 10-story apartment and with their assault guns in backs (as published), approaches the seized floor by scaling head first down the wall.

At the radioed order from their commanding officer, the elite commandos destroy two windows of the floor by detonating previously-installed small bombs before bursting into the floor through the openings and sweeping out the terrorists.

This is one of the simulated operations for which the "868" Unit of National Police, an elite anti-terrorist corps, have been training since 1982 as part of the preparations for the flawless security at the Seoul Olympics.

Yesterday, the 868 Unit demonstrated several anti-terrorist operations before more than 100 journalists at its headquarters in southern Seoul.

The 50-minute demonstration included sharp shooting by pistols and machine guns, snipers shooting, detecting explosives by sniffer dogs and subsequent disposal of explosives by anti-bomb squads.

Unit commander Chae Chon-sik said that the 868 Unit, created in 1982 as a key counter-terrorism force, is also training for possible incidents involving airplanes and trains during the Games.

"All the members under my command have been undergoing the demanding year-long training with the pride of being able to contribute to the successful hosting of the Olympic Games in our country," Chae said.

Capt. Kim Mun-ho said that some members of the unit have received special training at foreign countries' anti-terrorist agencies to improve their operation skills against any terrorist activities.

Yesterday's demonstration of the breath-taking anti-terrorist operations, however, seems to be just one page of a 30,000-page book.

In the words of the chief of the Olympic security, the nationwide efforts to ensure perfect security at the Seoul Games are similar to preparations for a war.

Yuk Wan-sik, chief of the Olympic Security Coordination and Control Headquarters, said that nearly 100,000 police and military personnel will be on guard at the about 300 Games facilities and their vicinities during the two-week Olympic Games.

In a press briefing at the Seoul Olympic Organizing Committee after the 868 Unit's demonstration, Yuk said that the security headquarters will also operate 16 special task forces, such as the special protection unit, anti-terrorism unit and airport and seaport guard unit.

"To identify and intercept all potential threats and not to present any inconvenience to the visitors, we will be using about 60,000 pieces of state-of-the-art scientific equipment," said Yuk.

The security installations and equipment to be used at the Seoul Games include metal detectors, laser-aiming guns, electronic stethoscope which is capable of detecting the subtle noise of camouflaged time bombs and X-ray scope. "In a nutshell," he said, "we will make every effort to guard the Olympics with the arsenal ranging from ultra-modern weapons to sniffer dogs."

Yuk, a retired three-star general, said that "As far as security is concerned, no one can guarantee 100 percent."

"We know well that even a small grenade can ruin the entire Games," he said.

That's why the security headquarters had formulated plans for checking thoroughly even food and beverages to be supplied to the Games participants and mailed materials, according to Yuk.

He said that the Olympic security headquarters maintains an excellent cooperation with foreign anti-terrorist organizations.

"Now I, as the chief of the Olympic security, can say I'm reading my palm when you ask me what's going in the international terrorism circles," Yuk said. "Our friends give us any information on the international terrorist activities immediately."

He said that up to now there is no report that any international terrorist group, including Japan's Red Army, has plans for attacking the Seoul Games.

It was reported earlier that the Red Army was trying to disrupt the Seoul Games by terrorism attacks.

"I also believe that north Korea can not take any provocative actions against the Games, in view of the participation by the Soviet Union, the People's Republic of China and other East European countries."

"But as a security official, I don't predict anything. I see the 0.1 percent possibility which can wreck the 99.9 percent of preparedness," he said.

Yuk said that all the Olympic security personnel will seek both the perfect and invisible security measures during the Seoul Olympics.

"A great emphasis will be put on providing invisible yet perfect security measure for the Games participants, unlike at the 1986 Seoul Asian Games, during which some complained about the rigidness of security personnel," he said.

In that aim, he said, the security headquarters will employ 4,500 volunteer security personnel, thereby providing maximum security in a soft atmosphere and without causing any inconvenience.

Burma

Foreign Minister U Ye Gaung Leaves for Beijing
BK0405142088 Rangoon Domestic Service in Burmese 1330 GMT 4 May 88

[Text] U Ye Gaung, minister of foreign affairs of the Socialist Republic of the Union of Burma, left Rangoon for Beijing this afternoon on a Civil Aviation Administration of China airplane at the invitation of Mr Qian Qichen, minister of foreign affairs of the PRC.

Foreign Minister U Ye Gaung was seen off at Rangoon Airport by U Maung Maung Kha, prime minister; U Tint Swe, minister of industry-1; U Than Tin, minister of mines; U Khin Maung Gyi, minister of trade; U Sein Ya, minister of transport and communications; U Saw Hlaing, deputy minister of foreign affairs; Mr (Mahmud Isma'il Haji Itiel), dean of the diplomatic corps in Burma and Egyptian ambassador; Mr Cheng Ruisheng, PRC ambassador to Burma; and staff members of the PRC Embassy.

U Ye Gaung was accompanied by Director General U Ohn Kyaw and Director U Tun Way of the Foreign Ministry's Political Department and his personal assistant U Hla U.

Correction to BCP Statement on Anniversary

The following correction pertains to the item headlined "BCP 'Statement' on Anniversary of Revolution," published in the 3 May East Asia DAILY REPORT, pages 22-24:

Page 24, column one, paragraph one, sentence one: ...contained the phrase: political independence and economic dependence. It was a phrase... (changing word "independence" to "dependence")

Briefs

Mergui Townships Renamed

The Ministry of Home and Religious Affairs has issued a notification announcing that West Mergui Township in Tenasserim Division will be henceforth known as Kyunzu Township and East Mergui Township as Mergui Township. [Text] [BK0305140588 Rangoon Domestic Service in Burmese 1330 GMT 3 May 88]

Brunei, Malaysia & Singapore Malaysia

General Says Communist Movement 'Crippled'
BK0505075288 Kuala Lumpur BERNAMA in English 0730 GMT 5 May 88

[Text] Kuala Lumpur, 5 May (BERNAMA)—The Malaysian Army has crippled the communist terrorist movement with the killing of seven of its members and the discovery of 338 enemy items last year, Army Corps Commander Lt-General Mohamed Daud Abu Bakar said Thursday [5 May].

He said four communist terrorists were also captured during the period.

Even though the discovery of the items, which included booby traps, camp equipment and about 12 tonnes of food supplies, was considered "small", this had weakened the communist terrorist movement, he said.

On the number of Orang Asli (aborigines) cooperating with the communist terrorists, he said it was small, adding that a handful did so because they were threatened by the terrorists.

"Most of the Orang Asli involved were staying deep in the interior areas and because of this they were forced to follow the instructions of the terrorists, especially when they asked for food," he added.

Foreign Minister Criticizes SRV Refugee Flow
BK0505070088 Kuala Lumpur International Service in English 0600 GMT 5 May 88

[Text] Malaysia has criticized Vietnam for failing to honor its commitment to stop the flow of its boat people who continue to deluge other Southeast Asian countries although the Vietnam war has long ended. In his address to the Seventh European Community-ASEAN ministerial meeting in Dusseldorf, Foreign Minister Datuk Abu Hassan Omar said Vietnam had done virtually nothing to prevent the exodus of the boat people at source.

He said that at the 1979 international conference on refugees attended by the EC and ASEAN countries and Vietnam, Vietnam gave the commitment to help stop the flow at source, but since then, he said, nearly 200,000 Vietnamese boat people had landed in Malaysia; while other ASEAN countries had been similarly burdened with sizeable numbers. In view of this, Malaysia had decided not to be a receiving end of the unending problem any longer and had recently given notice that the transit camp at Pulau Bidong would be closed down.

The foreign minister called on the international community to make Vietnam accountable in terms of its promises made in 1979 to take action at source and in accepting back its people who could not be resettled elsewhere.

Datuk Abu Hassan is now in Rome for a 2-day official visit to Italy.

Briefs

Deputy Youth, Sports Minister

Mrs Teng Gaik Kwan, permanent secretary to the Ministry of Health, has been appointed as deputy minister of youth and sports. According to a statement issued by the State Palace, Mrs Teng will take the oath of office before

the paramount ruler on Friday [6 May]. [Excerpt]
[BK0405133088 Kuala Lumpur RTM Television Network
1 in Malay 1200 GMT 4 May 88]

Singapore

Minister Alleges Foreign 'Smear Campaign'
BK0505082488 Hong Kong AFP in English 0816 GMT
5 May 88

[Text] Singapore, May 5 (AFP)—A senior Singapore minister said Thursday [5 May] that foreign elements were carrying out a well-organised smear campaign against the government because they could not tackle the country's military.

"Those who seek to undermine Singapore know her military defence is sound," the Singapore Broadcasting Corporation quoted Minister for Defence Policy Yeo Ning Hong as saying in a speech to the Singapore Navy.

"Instead these elements have decided to go for what they believe are Singapore's weak links, her social and psychological defence, at a time they believe to be an election year."

"If these foreign elements succeed, they could soften up the population and put their proxies in place to influence events in Singapore."

Mr Yeo did not identify the foreign elements but said the smear campaign was being made through statements and reports in the foreign media discounting official versions of an alleged Marxist conspiracy and related detentions.

Singapore has come under criticism from social, religious, political and human rights groups and some Western governments for the detention without trial last May and June of 22 youths accused of involvement in a Marxist conspiracy.

All but one of the 12 women and 10 men, many of them Roman Catholic church-sponsored social workers, were freed by December.

Eight of the detainees were re-arrested last month, along with a lawyer representing some of them, after saying that confessions they made last year were extracted under mental and physical intimidation.

Mr Yeo said the foreign elements were trying to persuade Singaporeans that the government's case that there was a Marxist conspiracy was a lie and that the detainees were tortured and physically abused to fabricate confessions.

"They are doing this through their local proxies and pawns," he added.

"In the coming weeks and months, Singaporeans can expect more biased, slanted and distorted articles on Singapore in the foreign and offshore newspapers which had interfered or wish to interfere in our domestic politics."

Singapore has severely restricted local sales of three U.S.-owned Hong Kong-based periodicals, the ASIAN WALL STREET JOURNAL, ASIaweek and FAR EASTERN ECONOMIC REVIEW, accusing them of interfering in Singapore's domestic politics.

The REVIEW is being sued by Prime Minister Lee Kuan Yew over an article concerning the detention issue it carried in December.

Soviet Envoy Cites Inability To Pressure SRV
BK0405141088 Singapore THE STRAITS TIMES
in English 3 May 88 p 12

[Text] The Soviet Union cannot compel Vietnam to settle the Cambodian issue but it is willing to provide any assistance necessary to help resolve the Cambodian problem.

Reiterating Moscow's stand, the Soviet ambassador to Singapore, Mr Anatoliy M. Dryukov, told the Singapore Press Club yesterday Vietnam was a sovereign, independent state and that "history proves it is useless to try and pressure Vietnam".

Mr Dryukov was confident that the Vietnamese would stick to their plan to withdraw militarily from Cambodia by 1990.

The issue, however, he added, will have to be settled by the Khmer people themselves.

The Soviet stance, similar to Vietnam's, differs from the position held by ASEAN and by the Coalition Government of Democratic Kampuchea headed by Prince Norodom Sihanouk, both of which believe no real settlement is possible without the participation of Vietnam.

On Soviet leader Mikhail Gorbachev's perestroika, or restructuring programme, Mr Dryukov said it aims to solve internal problems within the Soviet Union and "to drastically change the structure of our economy".

The ambassador said Mr Gorbachev's perestroika policies was backed by the majority of the people in the Soviet Union although the process of change "is very difficult and very painful".

During a question and answer session after his speech, Mr Dryukov tried to downplay the significance of the Soviet military bases at Cam Ranh Bay and Danang in Vietnam.

While acknowledging the active role of the Soviet Navy, he said: "We don't threaten anyone in this region. We are such a big country, we do not need anything from others."

Cambodia

Chea Soth Attends Trade Ministry Meeting *BK0305084688 Phnom Penh Domestic Service* *in Cambodian 0430 GMT 3 May 88*

[Text] In the presence of Comrade Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the PRK Council of Ministers, the Trade Ministry held a solemn meeting on the morning of 2 May to sum up trade activities in 1987 and assess the first phase of the 1987-88 rice purchasing campaign.

The report summing up the trade situation of 1987 showed that despite a number of both objective and subjective difficulties, in 1987 the trade department managed to carry out its tasks better than in previous years. In fact, the work of purchasing and controlling locally produced goods achieved more than 104 percent of plan, an increase of more than 64 percent over the 1986 figure. In this sector, the campaign to purchase food fulfilled nearly 71 percent of plan, or more than 189 percent of that achieved in 1986. The domestic sale sector fulfilled more than 101 percent of plan, or more than 178 percent compared with 1986. Export work achieved nearly 95 percent of plan, or an increase of more than 13 percent compared with 1986. The import work achieved more than 95 percent of plan, or an increase of more than 4 percent compared with 1986. Cooperation work with Vietnam at the central level achieved 161 percent of plan. This work at the grass-roots level also made progress and created closer alliances between our provinces and their sister provinces.

At the same time, in the framework of its unconditional aid, the Vietnamese side always gave us timely assistance according to the spirit and letter of concrete agreements and protocols and the requests of the Trade Ministry.

In the efforts to organize and expand the socialist trade networks down to the grass roots in order to bring goods directly to the people, the Trade Ministry paid close attention to promoting the establishment of ward-level stores in the 1,570 communes and wards throughout the country. As a result, 680 trading stores and 300 collective trading posts have been set up. There are now trading stores in 60 percent of the communes and wards and collective trading posts in 16 percent.

In addition, the work of building material and technical foundations, a cadre of officers, training work, and all-round management work also had satisfactory success.

In the report on the first phase of the 1987-88 rice purchasing campaign, it was revealed that by 30 April the trade department had completed 90 percent of the

rice buying plan. Ratanakiri, Siem Reap-Oddar Meanchey, Kompong Cham, Banteay Meanchey, Kampot, Battambang, Kratie, and Monduliri Provinces either fulfilled or overfulfilled their plans.

The reports also noted the important targets and tasks to be implemented during 1988 and during the coming second phase of the rice purchasing campaign.

Addressing the meeting, Comrade Chea Soth talked about the results achieved by the trade department in 1987 and pointed out the remaining shortcomings and the measures to be carried out in order to advance toward realizing more and greater successes.

He went on to say that the meeting's participants would gain a profound sense of collectivism according to a new way of thinking in the spirit of mastery and would see the truth, speak the truth, and examine and study scientifically from all angles the objective and subjective strengths and shortcomings. This would be done to draw lessons that can be used as assets in the advance toward creating new factors to bring about concrete changes in line with the requirements of the tasks of 1988, which is a key year.

In conclusion, Comrade Chea Soth urged all meeting participants to make great efforts in the emulation to create achievements in anticipation of the 10th anniversary of the 7 January National Day.

First Quarter Import-Export Figures Cited *BK0505093188 Phnom Penh SPK in English* *1118 GMT 4 May 88*

[Text] Phnom Penh SPK May 4—In the first quarter of this year, the Kampuchea Export and Import Corporation (KAMPEXIM) achieved 46 percent of its quarterly plan for export.

KAMPEXIM exported crepe rubber, kapok cotton, car tires, timber, and farm products in exchange for machines and equipment in service of agriculture, industry and transportation.

So far, Kampuchea has established trade relations with the Soviet Union, Vietnam, the German Democratic Republic, Hungary, Czechoslovakia, Bulgaria and other fraternal and friendly countries.

In the same period, KAMPEXIM bought a large quantity of export goods from local factories and farmers, topping its quarterly plan by 64 percent.

Last year, the volume of export by KAMPEXIM attained 95 percent of the 1987 plan or up by 13 percent over 1986.

Sihanouk Thanks PRC's Yang Shangkun, Li Peng
BK0405085988 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 3 May 88

["Reply message from Samdech Norodom Sihanouk, DK president, to His Excellency Yang Shangkun, PRC president; and His Excellency Li Peng, chairman of the PRC State Council"—dated 16 April]

[Text] Respected Excellencies:

On behalf of the Cambodian people; the CGDK; His Excellency Son Sann, prime minister of the CGDK; His Excellency Khieu Samphan, DK vice president in charge of foreign affairs; and in my own name, I would like to express to your esteemed excellencies, the respected great Chinese people, and the Chinese Government deepest thanks for the greetings and best wishes that your excellencies addressed to us on the DK's national day.

We are extremely pleased with the development of the great friendship and all-round fraternal cooperation between the peoples, states, and governments of our two countries. Cambodian-Chinese friendship is not only time-honored, but also indestructible.

Taking this joyful opportunity, I would like once again to express our everlasting gratitude to the great people, famous CPC, eminent leaders, respected government, and the glorious People's Liberation Army of China for the powerful, effective, zealous, and unwavering support and multifarious aid that you have generously given us in our struggle to force the Vietnamese colonialist aggressors to totally and completely withdraw their troops from Cambodia in conformity with the just resolutions of the United Nations, and to rebuild an independent, neutral, nonaligned, and peaceful Cambodia with its territorial integrity.

Please, your excellencies, accept our highest regards.

[Dated] Pyongyang, 16 April 1988

[Signed] Norodom Sihanouk, DK president

Son Sann Greets PRC's Li Peng, Li Xiannian
BK0505082988 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 4 May 88

[Text] On 11 April, His Excellency Son Sann, prime minister of the CGDK, sent a congratulatory message to His Excellency Li Peng on his appointment as chairman of the PRC State Council. The message read in full as follows:

Excellency:

On behalf of the CGDK, I am pleased to express to your excellency the warmest congratulations on your appointment by the National People's Congress as chairman of the PRC State Council.

I wish you and your government complete success in your mission of peace and prosperity for the friendly great Chinese people and for peace and stability in the world.

I would like to take this opportunity to once again express the profound gratitude of the Cambodian people and the CGDK to your excellency and, through you, to the friendly great Chinese people and the PRC Government for continually giving significant, multifarious aid and valuable political and diplomatic support to our national liberation struggle since 1979.

Your excellency, please accept my highest regards.

Also on 15 April, his excellency the prime minister of the CGDK sent a message of greetings to His Excellency Li Xiannian on his appointment as chairman of the Chinese People's Political Consultative Conference. The content of this message was similar to the above.

VOK Examines Possibilities of SRV Pullout
BK0305105588 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 3 May 88

[Political commentary: "Possibilities of Vietnamese Troop Withdrawal From Cambodia"]

[Text] Vietnam has always given the assurance that it will withdraw troops from Cambodia before the end of 1990, no matter what happens. This repeated Vietnamese assurance has made people wonder whether Vietnam really wants to withdraw troops from Cambodia or whether it is only paying lip service. If Vietnam really intends to withdraw its troops, what are the factors prompting it to do so? It is very hard to conjecture on Vietnam's position, to guess whether it would or would not honor its pledge, because Vietnam is well known the world over for its lies and deceit.

Nevertheless, concerning this question, some opinions suggest that Vietnam might consent to change its policy on Indochina by trying to stop being a Soviet pawn; agreeing to reconcile itself with other peace-loving countries in the world; and giving up its ambitions and letting Cambodia become an independent, sovereign, and free state enjoying full territorial integrity. If Vietnam really agreed to all this, it is certain that Hanoi would order its troops to withdraw from Cambodia.

As for the change in Vietnam's policy, if any at all, it would show that Vietnam has learned a bitter lesson from the implementation of the late Ho Chi Minh's strategic teaching. This teaching has turned Vietnam into a militarily powerful—but extremely impoverished—country, because of insoluble economic problems, very severe social woes, diplomatic isolation, and all kinds of pressure from the international community and the freedom-loving Cambodian people. It is in this situation that the new Vietnamese leadership has found itself forced to consider a troop withdrawal from Cambodia.

There is, however, one thing for which Vietnam is willing to take a risk: Vietnam wants to maintain a complete satellite government in Phnom Penh after it pulls out. If Vietnam intends to bet its last cent on this, it will be totally disappointed, because such a regime will collapse automatically. Even if the resistance forces do not topple it militarily, such a puppet communist regime will still collapse because the Cambodian people as a whole will not recognize it.

So Vietnam sees no way out, and it can change nothing. Yet, if Vietnam managed to reverse the trend, refused to withdraw its troops in 1990, got rid of world pressure, and succeeded in solving its economic problems, then great! However, experts in the world have predicted that Vietnam will never pull off such a feat. In other words, Vietnam will never be able to solve its plight if it stubbornly clings to the occupation of Cambodia; therefore, Vietnam is forced to honor its pledge. Should Vietnam insist on implementing its antithetical policy, which stubbornly swims against the prevailing situation, Vietnam will disintegrate.

In order to spur on Vietnam's defeat or to ensure that Vietnam will not betray its promise, pressure from the resistance forces and the world community must be further stepped up in the interest of peace in Cambodia and the rest of Southeast Asia.

VOK Refutes Vietnamese, Soviet 'Excuses'
BK3004100988 (Clandestine) Voice of the Khmer
in Cambodia 0430 GMT 29 Apr 88

[Political commentary: "Excuses of the Aggressors and Their Accomplices"]

[Text] With regard to a dialogue to find a way to settle the Cambodian problem, the Vietnamese aggressors have refused to talk to the leaders of the Cambodian resistance, claiming that they prefer to see the Cambodians negotiate a solution among themselves. As for the Soviets, who support the Vietnamese aggressors, they have said that they have nothing to do with the Cambodian issue and can neither pressure nor coerce Vietnam into withdrawing from Cambodia. If this is the case, then who is responsible for resolving this problem if the aggressors and their supporters—who are their accomplices—have all come up with such excuses?

Vietnam has said that the Cambodian problem should be left for the Cambodians to solve among themselves. Vietnam's maneuver is to allow the Heng Samrin regime, which it has installed in power, to negotiate with the Cambodian coalition government which represents the Cambodian resistance. In this connection, the past two meetings between Samdech Norodom Sihanouk and Hun Sen in Paris clearly showed that Hun Sen did not have sufficient independence to make any decision on

the settlement of the Cambodian problem, for Hun Sen is merely a caged and chained parrot who says what Vietnam wants him to say. It is useless to talk to such a lifeless robot.

Vietnam's words are aimed merely at prolonging its aggression. When Vietnam said the Cambodian problem should be left for the Cambodians to talk it out among themselves, it did not mean that Vietnam is ignorant of the cause of the current Cambodian problem, which occurred because Vietnam committed aggression against Cambodia. These remarks were made only because Vietnam wanted to justify itself and shirk responsibility for the international crime it has perpetrated in Cambodia. Vietnam cannot make such excuses like a dog with a curled-up tail if it wants to show the world that it really has goodwill to resolve the Cambodian problem.

The Soviet excuses, too, do not hold up under close scrutiny. Although the Soviets gave aid to Vietnam, enabling it to commit aggression in Cambodia, they still shifted all the responsibility for the Cambodian issue onto Vietnam, claiming that they, the Soviets, were not involved in this matter. Let us ask them: Who gives fuel to the Vietnamese tanks to enable them to invade Cambodia? Whose arms and ammunition do the Vietnamese use? Are the Soviets not abetting the aggression against Cambodia? The Soviets must not shift all this responsibility onto Vietnam alone.

The Voice of the Khmer may let the Soviets go scot-free provided they stop injecting aid into Vietnam. Otherwise, the Soviets will be accused of being an accomplice, or even the mastermind, of the Vietnamese aggression against Cambodia. If the Soviets want the same prestige and good name as the world has bestowed upon them in Afghanistan, they must force Vietnam to withdraw, or at least they must end aid to Vietnam to prevent Hanoi from using it to finance its aggression against Cambodia.

We know well that whatever the Soviets and Vietnam have said is merely a trick to shirk responsibility for their acts. Therefore, as an answer to their cowardice in refusing to acknowledge their mistake, the Voice of the Khmer would like to use a mallet to beat the Vietnamese aggressors and accomplices on their heads, just as the Cambodian resistance forces are doing on the battlefield in collaboration with the world, which continues to attack them more vigorously on the political, diplomatic, and economic fronts.

Indonesia

Foreign Minister Views New Caledonia
BK0505074688 Jakarta Domestic Service in Indonesian
0700 GMT 5 May 88

[Text] Indonesia hopes that the decolonization process in New Caledonia will bring about a peaceful solution that meets the wishes of the indigenous Kanak community. Foreign Minister Ali Alatas expressed the hope to newsmen upon arrival at Sukarno-Hatta Airport this afternoon from the EC-ASEAN meeting in Dusseldorf, West Germany.

He said that Indonesia expressed its concern at the United Nations last year that the French decolonization method would not bring about a final solution because the Kanak group was not taking part in the process. According to the minister, the Indonesian concern has now come true with the outbreak of undesirable events in the territory lately.

Minister Confident on Supply of Domestic Rice
BK0405081788 Jakarta Domestic Service in Indonesian
0700 GMT 4 May 88

[Text] Bustanil Arifin, Cooperatives Affairs minister and concurrently head of Logistics Board [Bulog], is confident that Indonesia will not import rice until the end of this year due to a reasonably good domestic harvest. Bustanil Arifin informed newsmen of this shortly before a limited session of cabinet ministers in charge of economic affairs at the Bina Graha presidential office in Jakarta this afternoon.

Arifin added that since the bumper harvest last month, the Bulog has bought more rice for the national reserve and will buy 600,000 metric tons more in May. Touching on the prices of several basic commodities on the eve of the Id al-Fitr holidays, Bustanil Arifin said there will be no significant price increases, citing the example of sugar, which is currently inexpensive in bazaars.

Laos

Sisomphon Lovansai Chairs Electoral Meeting
BK0505103088 Vientiane KPL in English
0907 GMT 5 May 88

[Text] Vientiane, May 5 (KPL)—The electoral committee at the national level held a meeting here on May 4. The meeting was presided by its chairman, Sisomphon Lovansai, who is also Politburo member of the LPRP CC, acting-president of the People's Supreme Assembly.

The participants discussed and worked out detailed action programmes for general elections from the grass-roots to central levels.

Nouhak Phoumsavan Receives Swedish Delegation
BK0505102488 Vientiane KPL in English
0904 GMT 5 May 88

[Text] Vientiane, May 5 (KPL)—Nouhak Phoumsavan, first vice-chairman of the Council of Ministers, received here on May 4 a delegation of the Swedish International Development Authority (SIDA) led by its director general, Carl Tham, who is on a current visit to the Lao PDR.

The talk proceeded in an atmosphere of friendship during which both sides exchanged views on the socio-economic development in Laos.

Nouhak Phoumsavan, on this occasion, highly valued the Government of Sweden's help in the building of economic bases in the country. He also hoped that the Lao-Swedish cooperation will be further developed, adding that the Lao Government and people will strive to use Swedish aid in a more effective manner.

Taking part in the talk were Somphavan Inthavong, vice-chairman of the State Planning Committee and chairman of the Commission for the Implementation of Lao-Swedish Cooperation, and Swedish Charge d'Affaires to Laos Torvald Akesson.

Defense Minister Greet DPRK Armed Forces
BK0505120688 Vientiane Domestic Service in Lao
0430 GMT 1 May 88

[25 April message of greetings from LPDR Minister of National Defense General Khamtai Siphandon to Vice Field Marshal O Chin-u, DPRK minister of the People's Armed Forces]

[Text] Respected Comrade Minister: On the occasion of the 56th founding anniversary of the People's Armed Forces of the DPRK, on behalf of the cadres and combatants of the LPA and in my own name, I would like to convey warm salutations and greetings to you, comrade, and through you to all cadres and combatants in the entire People's Armed Forces of the DPRK.

Over the past 56 years, under the WPK with Comrade Kim Il-song as head, the People's Armed Forces, together with the people of the DPRK, have scored many achievements and victories in defending and building their socialist country and in the struggle for the peaceful unification of the Korean nation.

Our LPA and Lao people are elated over and wholeheartedly hail the achievements and victories scored by the fraternal Korean Armed Forces and people. We are convinced that the relations of friendship between the two armies and two peoples of Laos and Korea will be increasingly consolidated, promoted, and expanded with each passing day.

I wish you, comrade minister, good health and new, still greater achievements in performing your noble tasks.

Briefs

Japanese Educational Aid

Vientiane, May 4 (KPL)—An 18-million yen package of aid from Japan was handed over to Laos on May 3. The aid items consisted of educational equipment, mainly to be used in physics, biology, chemistry laboratories. The aid was handed over to Acting Minister of Education Bountiam Phitsamai by Japanese Ambassador to Laos M. Teruo Hayakawa. This was the third consignment of

aid Japan gave to the Vientiane Teachers' Training College. [Text] [BK0405122088 Vientiane KPL in English 0916 GMT 4 May 88]

Philippines

Ramos To Leave for Defense Talks in U.S.
HK0505032388 Manila Far East Broadcasting Company in English 2300 GMT 4 May 88

[Text] Defense Secretary Fidel Ramos is leaving for the United States on May 16 for discussions on defense plans with top U.S. defense officials. In a press conference yesterday [4 May] at Camp Aguinaldo, Ramos said he would meet with American defense chief Frank Carlucci for a series of talks on defense matters such as the U.S. Military Assistance Program, the foreign military sales [as heard], and other related matters. Ramos said this is the third time that a meeting of this nature would be held between the Philippines and the United States. He stressed that his visit to the U.S. has nothing to do, nor has any connection whatsoever, with the ongoing review of the military bases agreement.

Court Orders Armed Forces To Vacate Land
HK0505083988 Manila PHILIPPINE DAILY GLOBE in English 5 May 88 p 7

[By Ceferino Acosta]

[Text] The Joint US Military Advisory Group (JUSMAG) may have to vacate from its present location on Timog avenue, Quezon City [QC], after a QC court ruled that the land it is occupying be returned to its owner.

Judge Mariano Singzon Jr., Branch 31 of the Metropolitan Trial Court in Quezon City, ruled in a decision issued last March 4 that the Armed Forces of the Philippines [AFP], the original lessee of the land, should pay Carlos Gonzales, the land owner, P5,00 a month as rent from January 1987 up to the present. The court also ordered the AFP to vacate the area.

Gonzales originally leased the 784.70 square-meter land to the AFP. But according to evidence submitted by the AFP, JUSMAG has been using the land since 1947. JUSMAG was included in the petition by virtue of its using the land.

Gonzales told the court he wrote JUSMAG in November 1985 stating that beginning January 1986, rent for the land would be upped to P5,000, from P2,707. The JUSMAG allegedly did not answer the letter.

Gonzales said he again wrote JUSMAG, asking to be freed from the contract.

During the hearing, the AFP raised two issues: It cannot be sued because it is an instrumentality of the government;

There is no demand to vacate the premises.

In answer to the issues, the court said that when a machinery of the government enters into a contract with a private individual, "it goes down to the level of an ordinary individual and therefore could be sued under the contract."

Forty-Nine Fishermen Imprisoned in Malaysia
HK0305102188 Manila PHILIPPINE DAILY GLOBE in English 3 May 88 pp 1, 6

[By GLOBE staff writer Julius F. Fortuna]

[Text] Forty-nine Filipino crewmen of three fishing vessels are now imprisoned in Kuala Lumpur after the Malaysian Royal Navy captured them last April 5 near the disputed Spratly isles, a Foreign Affairs telex and other sources revealed yesterday.

Seized by the Malaysian authorities were fishing vessels owned by the Navotas-based Frabelle Fishing Corp., namely F/B "Jasmine," "Ranger XVI" and "Ranger XVII."

"Jasmine" is the lead vessel in the three-ship fishing group, while the two others were trawlers used as support vessels. The 800-ton "Jasmine" is a modern fishing vessel and possesses radar and sonar equipments.

The incident occurred 10:30 p.m. when a group of Malaysian navy boats led by destroyer KB "Kasturi" backed by helicopters, boarded the three Filipino fishing vessels and were ordered to proceed to the nearest Malaysian port.

The arrest of the 49 Filipinos and the seizure of the three fishing vessels occurred in disputed waters 120 nautical miles from Ligas point, Balabac Island, Palawan province.

DFA [Department of Foreign Affairs] personnel with access to records also said, however, that the area is located 127 nautical miles from Kota Kinabalu in North Borneo.

The place is near Commodore Reef (or Rizal Reef), an island claimed by both Malaysia and the Philippines as part of their respective territories.

In the '70s, the Malaysians built a guardhouse on Commodore Reef. Malaysian soldiers were suspected by the Philippines of accosting and stopping Philippine fishing boats in the areas.

The Philippines has included Commodore Reef, which it calls "Rizal Reef," as part of Kalayaan Islands.

Both Malaysia and the Philippines have agreed to settle the dispute over the Reef in accordance with the Treaty of Amity and Cooperation signed in 1976.

However, Malaysia has recently included the island as part of the Exclusive Economic Zone (EEZ) and has passed a law prohibiting fishing in the area by other countries.

Malaysia has also claimed that the island lies within its 200-mile territorial limit provided for in the Law of the Sea.

It is reported that the 49 fishermen including its chief steward, Capt. Renato Bejasa, will be charged of violating Section 15 of the Malaysian Fisheries Act passed in 1985. The charge carries a penalty of one million Malaysian dollars.

For their defense, Frabelle has enlisted the legal assistance of David Wong, a renowned Malaysian lawyer.

The trial for the Filipino fishermen has been set for June 8 this year, but the Department of Foreign Affairs is pressing for a diplomatic solution of the incident.

Last April 8, Philippine ambassador to Malaysia Pablo Suarez attempted to secure the release of the Filipino fishermen, arguing with the Wisma Putra (Malaysian Foreign Office) that they "may have strayed unintentionally into Malaysian waters."

However, reports from Malaysia, according to diplomatic sources, reveal that although its foreign office is in favor of releasing the ships and crewmen, the Ministry of Agriculture—which supervises the fisheries office—opposes the move.

The area around Commodore Reef is one of the richest fishing grounds and the Malaysians would like to acquire it permanently.

But newly appointed DFA special assistant on legal affairs Jorge Coquia, an expert on the Law of the Sea has advised both the DFA and Frabelle that the Malaysians have no prior claim over the area surrounding the Commodore Reef.

He is reported to have said that there is an agreement among signatories to the Law of the Sea Convention—Malaysia and the Philippines included—"not to rock the boat."

A recent convention attended by Coquia has noted that if provisions of the Law of the Sea would be implemented immediately, the claims of many countries would "overlap."

Government To Send Note

HK0305104588 Manila Manila Broadcasting Company
in Tagalog 0800 GMT 3 May 88

[Text] The Philippine Government will send a diplomatic note to Malaysia regarding the latter's confiscation of three fishing vessels and arrest of 45 [as heard] Filipino crew members on charges of entering Malaysian territorial waters.

Jorge Coquia, chief of the Legal Section of the Department of Foreign Affairs, said that Foreign Affairs Secretary Raul Manglapus, presently in Germany, has instructed the dispatch of a diplomatic note to the Malaysian Government expressing concern over the conditions of the Filipino seamen.

Coquia added that the three ships confiscated by the Malaysian Government were fishing in Philippine territorial waters near the Spratly Islands. The Philippine vessels and Filipino seamen will not be released unless the Philippine Government pays a huge bond, according to Pablo Suarez, Philippine ambassador to Malaysia. Suarez will convey the diplomatic note to the Malaysian Government tomorrow.

From the Philippine International Convention Center, Rey Arquiza reporting.

Diplomatic Solution Sought

HK0405143988 Hong Kong AFP in English 1415 GMT
4 May 88

[Text] Manila, May 4 (AFP)—The Philippines will use diplomacy to resolve a recent incident with Malaysia in the disputed Spratly Islands, the Philippine Foreign Department said here Wednesday.

The Malaysian Navy seized three Philippine fishing boats in the Spratly area in April, and has detained its 49 Filipino crewmen since then. On Tuesday the group was charged with illegally fishing within Malaysian waters.

"It's not something that can be settled overnight," foreign department spokesman Rora Tolentino told AGENCE FRANCE-PRESSE.

But for "as long as diplomatic channels are open," Manila intends to use this to resolve the issue, she added.

The reputedly oil-rich Spratly Islands in the South China Sea are also claimed in whole or in part by China, Vietnam and Taiwan.

Malaysian Embassy Justifies Arrest
HK0505085388 Manila PHILIPPINE DAILY GLOBE
in English 5 May 88 pp 1, 6

[By staff writer Julius F. Fortuna]

[Text] The Malaysian Embassy in Manila said yesterday that the arrest of 49 Filipino crewmen and the seizure of their three fishing vessels is a "legal and not a political matter." Therefore, the Philippine government can't interfere with the judicial process.

Senior embassy officials said that "as far as we are concerned, the incident occurred in Malaysian territory." He indicated that it had nothing to do with Malaysian and Philippine overlapping claims over some South China Sea islands.

Philippine diplomats, led by Ambassador Pablo Suarez, have been communicating with officers of Wisma Putra (Malaysian Foreign Ministry) to secure the return of the three seized vessels and the release of the 49 crewmen.

Foreign Affairs Secretary Raul Manglapus has drafted a letter to the Foreign Minister of Malaysia expressing concern over the incident and requesting the release of the crewmen.

As of press time, the three Filipino fishing vessels—lead ship F/B Jasmine, and trawlers Ranger XVI and Ranger XVII—are still being held in the port operated by the Labuan Fisheries Department.

The 49 employees of the Navotas-based Frabelle Fishing Corp. are still imprisoned in Kota Kinabalu, facing charges of violating Malaysia's fisheries Act of 1985. They were arrested on April 5 by Malaysian authorities on the charge that they were fishing in Malaysian territorial waters.

The incident occurred some 120 miles from Ligas Point in Palawan and 127 nautical miles from Kota Kinabalu in North Borneo.

Tengku Idriss Ibrahim, Counsellor of the Malaysian Embassy, said that "as far as we are concerned, they (49 fishermen) were arrested in Malaysian territory."

He made a distinction between its delineated national territory where the three Filipino vessels allegedly fished and its claim over the 200-mile limit provided for in the Law of the Sea.

Both the Philippines and Malaysia are signatories of the Law of the Sea Convention but Malaysia has not yet ratified it.

Abdul Aziz Mohammed, First Secretary, said that the arrests had "nothing to do with claims and counter-claims."

The claims of both countries for the exclusive economic zones overlap and the provisions of the Law of the Sea provides that in cases like this, the two countries should negotiate.

Mohammed said the Malaysian government has expressed its willingness to negotiate on this overlapping claims.

Mohammed also said that the arrest of the 49 Filipinos is "nothing new." He revealed that in the past, Vietnamese, Thai, and Taiwanese fishermen have been brought to Malaysian courts for fishing in the area.

"We are not discriminating against the Filipinos. We are simply implementing the law," he said.

He said that fishing by foreign nationals in the area is an "emotional issue" because Malaysia's fishing industry is still developing and Malaysian fishermen have asked the government to protect them from foreign fishermen.

In a related development, the Frabelle Fishing Corp. has denied news report that the 49 fishermen have been released.

Last night, a report from the UPI and Bernama reported that the fishermen have been allowed to post bail.

Bilateral Talks on Incident

HK0505054988 Hong Kong AFP in English 0533 GMT
5 May 88

[Text] Manila, May 5 (AFP)—The Philippines and Malaysia are having talks about the Malaysian Navy's seizure of Philippine trawlers last month in the disputed Spratly Islands, the Foreign Department said here Thursday.

The Foreign Department said Tuesday that the Malaysian Navy had seized three Philippine fishing boats in the Spratly area in April and detained 49 Filipino crew for allegedly fishing inside Malaysian waters.

The incident was now the "subject of diplomatic discussions" between the Philippines and Malaysia, department spokesman Rora Tolentino quoted Foreign Affairs Undersecretary Jose Ingles as saying. She did not elaborate.

The Spratlys, a strategic and reputedly oil-rich chain of 500 islands and reefs in the South China Sea, are claimed in whole or in part by Malaysia, the Philippines, China, Vietnam and Taiwan.

Chinese and Vietnamese forces clashed in the Spratlys for the first time on March 14. Two Vietnamese ships were sunk and one set ablaze, leaving three Vietnamese servicemen dead and 74 missing, according to Hanoi.

Paper Sees Intensified Dispute
HK0405080788 Manila PHILIPPINE DAILY GLOBE
in English 4 May 88 pp 1, 6

[By staff writer Julius F. Fortuna]

[Text] A diplomatic problem hovers over two Association of Southeast Asian Nations states as the Philippine government categorically laid claim yesterday to the rich fishing grounds surrounding Rizal reef in the Spratlys, which is also being claimed by Malaysia.

Law of the Sea expert and newly appointed Department of Foreign Affairs assistant for legal affairs Jorge Coquia told reporters the Philippine claim is based on Presidential Decree No. 1596 passed on May 30, 1978, delineating Philippine territory.

The Marcos decree, considered valid by the Aquino government, declares that the Kalayaan Group in the Spratlys is part of Philippine territory.

The disputed waters surrounding Rizal Reef (Malaysian name: Commodore Reef) is considered part of the Kalayaan Group.

The Philippines maintains garrisons on some islands in the Kalayaan Group, while Malaysia has naval garrisons in the disputed Rizal Reef.

Last April 5, 49 Filipino fishermen aboard three fishing vessels were arrested by a Malaysian gunboat and subsequently charged with violating the Malaysia Fisheries Act of 1985.

The Malaysian embassy had no comment on the position of the Philippine government on the jailed Filipino fishermen. "We have no information about the incident," Norizan Abdul Manaf said when pressed for a reaction.

The incident occurred at 10:30 p.m. last April 5 when a group of Malaysian gunboats led by KB Kasturi, backed by military helicopters, boarded the three Filipino fishing vessels and ordered them to proceed to the nearest Malaysian port.

The arrest of the 49 Filipinos and the seizure of the fishing vessels occurred in the disputed waters 120 nautical miles from Ligas Point, Balabac Island, Palawan.

DFA [Department of Foreign Affairs] sources with access to official records also said the exact area where the vessels, were seized is situated 127 nautical miles from Kota Kinabalu in North Borneo.

The Filipinos Pleaded innocent Tuesday to charges of illegally fishing in Malaysian waters, a news report said.

The national news agency BERNAMA said the fishermen were charged in a court in Kota Kinabalu.

The court released the Filipinos on bail pending trial on June 8, it said without specifying the amount bail.

Coquia also said the Malaysian government was informed of the existence of the law delineating Philippine boundaries as early as May 30, 1980.

The Malaysian government bases its claim to the fishing grounds surrounding Commodore Reef on the 200-nautical mile limit provided for in the Law of the Sea Convention of 1982.

Coquia, however, said that if that is so, then the Malaysian government should have called for negotiations to settle its claim.

He said an international agreement on the law of the sea provides that in cases of overlapping claims, the parties should settle the problem through negotiations.

On the imprisoned fishermen, Coquia said they should be released immediately, even if that means putting up a bond.

He said posting a bond is a legal relief provided for in international law. He, however, expressed fear that this move might be construed as an abdication of the RP [Republic of the Philippines] claim to the area.

Senate Suspends Session To Greet Taiwan Visitors
HK0505034188 Manila Far East Broadcasting
Company in English 2300 GMT 4 May 88

[Text] The Senate yesterday [4 May] suspended its session to welcome three Taiwanese officials, and dismissed suggestions that the gesture was a diplomatic breach. The Taiwanese visit came 2 weeks after President Aquino's trip to China, where she reaffirmed her government's one-China policy. Beijing protested last year against a series of visits by senior Philippine officials to Taipei, saying they violated Manila's pledge to maintain official ties only with Beijing. The Taiwanese, who included (Chao San-lin), who is deputy director for international affairs of the ruling Kuomintang party, were accompanied to the Senate by Paul Aquino, the president's brother-in-law and president of the Lakas ng Bayan [Power of the Nation]. The senators played down the visit, saying it was just a social call and that no diplomatic protocol was broken.

Soviet Parliamentarians on 'Foreign Military'
HK0305121588 Manila THE MANILA CHRONICLE
in English 1 May 88 p 4

[Text] Congressional leaders have reached an understanding with three visiting Soviet parliamentarians that no country should be burdened with foreign military presence.

Pavel Gilashvili, deputy chairman of the Supreme Soviet, the USSR's parliament, told a press conference yesterday that Soviet and Filipino legislators also agreed to establish "more systematic and regular" contacts to strengthen relations between the two countries.

The world should emerge into the 21st century "free of nuclear weapons...and military bases," Gilashvili said.

Speaking through an interpreter, he said the Soviet Union had an interest in regional peace because it was part of the Asia-Pacific region.

He stressed that global problems needed "internationalized efforts," with nations acting in "full solidarity" regardless of their distance from one another.

Gilashvili and two other parliamentarians are on a "friendship visit" around Asia. With him are Vladislav Micuchauskas of the transportation and communications commission and Vera Lebedeva of the women's commission of the Soviet parliament.

While expressing objection to all kinds of foreign military bases in any country, the Soviets declined to comment on the ongoing review of the Philippine-U.S. military bases agreement.

"This question is of great concern for the Philippines, and they should resolve this problem themselves," Gilashvili said. "Our position is clear."

The three Soviet officials were at the Senate when the nuclear-weapons-free bill of Sen. Wigberto Tanada was being deliberated on, but Gilashvili said they did not stay long enough to appreciate the full discussion.

The Supreme Soviet is composed of 1,500 deputies, 492 of whom are women. They are elected popularly through secret balloting.

Gilashvili said his country was awaiting the visit of a Philippine congressional delegation in either June or July.

"We will be happy and grateful to receive anybody who will come," he said.

\$785 Million Loan Sought From Japan

HK0505125788 Quezon City Radyo ng Bayan in Tagalog
1200 GMT 5 May 88

[Text] The government will ask the Overseas Economic Cooperation Fund for a Y102 billion or \$784.5 million loan under the 15th yen credit loan package.

Economic Planning Secretary Solita Monsod told newsmen that eight projects have been picked and will be funded under the new credit package, with five of them already approved by the Investment Coordination Committee [ICC]. The remaining three projects will be

reviewed by the ICC. According to her, the approved projects have been forwarded to the Department of Foreign Affairs, who in turn will submit them to the Japanese Government through the Japanese Ministry of Finance.

Italian Diplomat Briefly Held by Guerrillas

HK0405065088 Hong Kong AFP in English 0617 GMT
4 May 88

[Text] Davao, Philippines, May 4 (AFP)—An Italian diplomat and nine Filipinos were held at gunpoint by communist rebels near this southern city and given a short lecture before being freed unharmed, the military said here Wednesday.

Roberto Cardano, a staff member of the Italian Embassy in Manila, and his Filipino companions were visiting a proposed joint agricultural project near Monkayo Tuesday when they were surrounded by about 20 rebels, military spokesmen said.

A soldier and a policeman escorting the group did not put up a fight and voluntarily surrendered their pistols for fear that the New People's Army (NPA) guerrillas might hurt their wards, the spokesmen said.

The escorts were hogtied but the rest, which also included five members of the National Council for Integrated Area Development and two personnel of the Bureau of Forestry, were not harmed they said.

The group were then given a short lecture on the evils of President Corazon Aquino's government before they were all released, they said.

(The Italian Embassy in Manila confirmed that Mr. Cardano is a member of the mission, but declined to give further details.)

Marcos' Family To Ask Aquino To Reconsider

HK0505053788 Hong Kong AFP in English 0525 GMT
5 May 88

[Text] Manila, May 5 (AFP)—A brother of Ferdinand Marcos said Thursday he would ask President Corazon Aquino to reconsider her decision to bar her exiled predecessor from returning to the Philippines to attend his mother's funeral.

Pacifico Marcos told AGENCE FRANCE-PRESSE his family would ask Mrs. Aquino to "kindly reconsider your decision and allow my brother to attend the funeral" of Mrs. Marcos, who died of a heart attack Wednesday at 95.

Dr. Pacifico Marcos, the deposed president's younger brother, said the request would be sent through the Marcos' second cousin Senator Leticia Shahani, a sister of Defense Secretary Fidel Ramos.

Hours after Mrs. Marcos died, Mrs. Aquino said that reasons "involving national stability and the common good of our people" prompted her not to allow Mr. Marcos to return from his exile in Hawaii.

Asked if he thought Mrs. Aquino would change her mind, Dr. Pacifico Marcos said: "I'm a dreamer. I'm a doctor. I keep hoping."

He said a date for the funeral had not yet been set, but that Mrs. Marcos's remains would be buried in the family's home province of Ilocos Norte, either in her hometown of Sarrat or the Marcos' hometown of Batac.

He said the family hoped the return of Mr. Ferdinand Marcos, if allowed, would lead to "a real reconciliation."

Mr. Marcos and his immediate family fled to Hawaii at the height of a popular uprising in February 1986 that swept Mrs. Aquino to power.

Dr. Pacifico Marcos said Mrs. Shahani had called him up early Thursday to inform him that she was meeting with Mrs. Aquino on the family's request. "She did it on her own in spite of political differences," he said.

Mrs. Shahani, who could not be reached for comment Thursday, supported Mrs. Aquino in the snap presidential poll that sparked the 1986 revolt.

Her brother Mr. Ramos, then Armed Forces vice chief of staff, led a military mutiny after the disputed vote count.

Dr. Pacifico Marcos would not comment directly on press reports that Marcos supporters had destroyed funeral wreaths sent by Mr. Ramos and Mrs. Shahani.

He said Mr. Ramos visited the family late Wednesday and "the people showed a little coldness and that is to be expected."

About 200 Marcos supporters, including politicians, joined the wake at a small chapel in the exclusive suburban Manila subdivision of Greenhills, correspondents on the scene said.

On one of the wreaths, made up of white orchids, were written the words "Love and Prayers from President and Mrs. Ferdinand Marcos."

Decision Said 'Irrevocable'

HK0505095788 Manila Radio Veritas in Tagalog
1700 GMT 5 May 88

[Excerpts] Here is the report of Gabby Salcedo from Malacanang:

[Begin recording] Good afternoon, Henry. President Corazon Aquino reaffirmed that she cannot allow former President Ferdinand Marcos to attend the funeral of his mother, Dona Josefa Edralin Marcos. She

issued the statement in an arr bush interview in reaction to Marcos' statement that he will exhaust all means to return to the country. Mrs Aquino said that her decision is irrevocable.

Meanwhile, there is a possibility for the Marcos children to come over and see their grandmother before she is finally buried. But this is still for President Aquino to decide. The president, however, said that she has not received any official message from Mr Marcos regarding this proposal. She said she can only decide on the matter upon confirmation of this report. Mrs Aquino's statement was announced by Press Under Secretary Ralph Tagle after the president arrived from Iloilo City.

Defense Secretary Fidel Ramos said they have not received any information that Ferdinand Bongbong Marcos Jr is on his way to the Philippines.

In a dialogue between the chief executive and local officials of Iloilo, the president again stressed the importance of military and civilian cooperation to suppress the communist threat. [passage omitted]

The president also held a closed-door dialogue with the military officers of Camp Delgado. Defense Secretary Fidel Ramos gives some details of the meeting:

[Ramos in English] Well the president as commander in chief scheduled a briefing on the insurgency and the peace and order situation starting with the commanding general of the Visayas Command, General Jesus Hermosa. His briefing covered Regions 6, 7, 8. As reflected in the comments of Iloilo Mayor Gadzon, there was a very, very substantial improvement in the anti-criminality and counterinsurgency drive in the city having such a big population. This was also typical of the comments of General Hermosa about the improvement in the insurgency and the crime situation in Region 6. He said, however, that Negros, especially Negros Occidental, is still getting about 35 percent of the total number of violent incidents and fatalities arising out of the insurgency. It seems that he has to concentrate more attention and more resources in this area. [end recording]

Laurel Promises 'To Help'

HK0505094788 Manila Radio Veritas in Tagalog
0700 GMT 5 May 88

[Text] Vice President Salvador Laurel made a statement on the return of the former president to the Philippines. He said he would take some measures to help the former President Marcos return and be able to see the remains of his mother.

Laurel issued the statement when he visited the place where the late Dona Josefa Marcos lie in state. He was accompanied by his wife Celia Diaz Laurel.

Laurel is the first government official to have visited the late Dona Josefa. Laurel had also extended condolences from the people of Batangas to the bereaved family.

Marcos' Son's Return Denied

HK0505115388 Quezon City GMA 7 Radio Television Arts Network in Tagalog 1030 GMT 5 May 88

[Text] Both the military and the Marcos family today denied rumors that Bongbong Marcos, only son of the former president, was on his way to or was already in the country. On the other hand, the authorities affirmed that they were prepared to deal with protest actions that may be conducted by Marcos loyalists following the death of Dona Josefa Edralin Marcos yesterday.

The report from Jessica Soho.

[Begin recording] [Soho] At the Santuario de San Jose at Greenhills where Dona Josefa Edralin Marcos lies in state, Marcos loyalists continue to grieve her death while members of the Marcos family still hope that former President Marcos will be allowed to come home from Hawaii.

[Pacifico Marcos in English] My reaction only is that of disappointment and sadness, and of course, I still hope that she might change her mind.

[Soho] Dr Marcos, elder brother of the former president, also said that Senator Leticia Ramos Shahani, a distant relative, has promised to talk to President Aquino and urge her to allow Marcos to return for his mother's funeral. However, he assured her that his brother will not make trouble even though he insists on coming home.

[Pacifico Marcos in English] [Passage indistinct] What he will probably do is talk to influential people, maybe the State Department of the United States, maybe the United Nations. Who knows? I don't know. He is a desperate man who desperately needs to see his mother before she is buried. We do not rule out that he will do all of these things.

[Soho] Dr Marcos also denied reports that his nephew, Bongbong Marcos, will return or has already returned to the Philippines. AFP [Armed Forces of the Philippines] chief General Renato de Villa and other military authorities in Ilocos Norte also asserted that there was no truth to these reports. De Villa was interviewed by newsmen before he attended a meeting of Manila Rotarians at the Manila Hotel this morning. His deputy for civil military operations, Brigadier General Honesto Isleta, concurred, adding that the authorities were prepared for protest actions that may be launched by Marcos loyalists.

[Isleta in English] Well, the usual precautionary measures just in case any demonstrations may come up from people who are really very sentimental about this.

[Soho in English] Is it true that Bongbong Marcos has already arrived?

[Isleta in English] We have no confirmed reports along that line.

[Soho] This is Jessica Soho for GMA News. [end recording]

Meanwhile, President Aquino does not rule out the possibility of letting the children of former President Marcos return to the country. According to the president, she will decide on the matter only if she receives a formal request. [Aquino recording indistinct]

Mrs Aquino also said that she will not alter her decision to ban ex-President Marcos. She added that Mr Marcos may do everything to try to return, but the government's decision stands as is.

Marcos Issues Statement

HK0505084988 Manila PHILIPPINE DAILY GLOBE in English 5 May 88 pp 1, 6

[Text] Deposed President Marcos said last night that he will "exhaust all possibilities" to be able to return to the country.

Marcos issued a statement from Honolulu, where he has been living in exile for more than two years, but did not comment on the refusal of President Aquino to allow him to return for the burial of his mother, Dona Josefa Edralin-Marcos. "I will exhaust all possibilities that may be available to us to return to our motherland to help save her from the threatened communist takeover or a possible civil war," he said.

Marcos said he was "completely shocked" by the sudden death of his 95-year-old mother, whose "dying wish" was for President Aquino to allow her son to return to the Philippines.

The Cabinet crisis management committee, headed by the President, rejected Dona Josefa's request because of the "national interest."

Marcos's statement was read over the phone by Gemmo Trinidad, the former President's spokesman.

Trinidad said Marcos received the news of the death of his mother at 6:20 a.m. (12:20 p.m. Manila time) yesterday.

Trinidad said Marcos shed tears of sorrow and immediately prayed and went into meditation. A mass was celebrated at the Marcos home at around 10 p.m. Honolulu time, with some members of the Filipino community in attendance.

After the mass, Marcos drafted a statement and retired at past midnight.

The statement follows:

I am completely shocked by the sudden demise of my beloved mother, Josefa Edralin-Marcos, I am sure that our Lord will take my dear mother into his Kingdom to live the eternal life of Heaven.

This is indeed a very tragic personal matter to the entire Marcos family.

I will exhaust all possibilities that may be available to us to return to our motherland to help save her from the threatened communist takeover or a possible civil war.

Airport Close Watch Ordered

HK0505092788 Manila Radio Veritas in Tagalog
0700 GMT 5 May 88

[Text] The Capital Command Chief General Alexander Aguirre has ordered the military to closely guard and monitor all entry and exit ports to the country to prevent the possible return of the former president. It is recalled that Mr Marcos said he would exhaust all possible resources he has to be able to return to the Philippines.

Meanwhile, the Air Transportation Office Director Victorino Palpalatoc said that it is the duty of his department to monitor all movement in every port, particularly movements of undesirable elements, and to report these to the military. He said he has not received new orders on monitoring the possible return of the former president.

[Begin recording] [Unidentified reporter] Sir, there seems to be a tight security on all national airports?

[Palpalatoc in English] Not really. The fact is all airport managers have standing orders that any unofficial or unusual arrival or departure from any airport should be reported to us immediately. And if not possible, to the nearest military station. And this has been a standing order since 1986. Now, regarding the present crisis, that are in [word indistinct] I have no extraordinary reflections to [word indistinct] it, except that every now and then we remind them of their vigilance. [end recording]

Radio Columnist on Decision

HK0505092588 Quezon City GMA 7 Radio-Television
Arts Network in English 1430 GMT 4 May 88

[From "Column on the Air" program by Luis Beltran]

[Text] The decision of President Aquino not to allow Mr Marcos to come back is really her choosing the lesser of two evils. The death of Dona Josefa Edralin Marcos presents a very, a major political problem to the president with a very emotional overtone. I think that a lot of people feel that a man should be allowed to attend his mother's funeral, but some people are inclined to make exceptions if that man happens to be Ferdinand E. Marcos.

The choice of the president not to allow him to come home will immediately bring up questions of political stability in the country. It is ruefully an admission on the part of the current administration that the political situation is so unstable that an ex-president, ousted by his people in the EDSA [Epifanio de los Santos Avenue] Revolution, can actually affect political stability.

According to the administration, they control everybody—the Army, sometimes even the press, and yet they will not allow Mr Marcos to come home. That decision emphasizes the fact that control is not always complete.

However, the prospect of Mr Marcos coming home sends a shiver down the spines of a lot of people. Imagine what will happen if Mr Marcos suddenly decides to hold the wake in Paoy. He will then be surrounded by hundreds of thousands of his loyalists, who could conceivably take up arms and declare the Republic of Ilocoslovakia. That will present us a problem which will be virtually difficult to solve, considering that success will depend on our Huey helicopter gunships, which have a terrible problem of crashing when they are supposed to be bringing our troops to the frontline.

And of course, the roads to Ilocos are well-paved, but our armored cars have run out of spare parts, and we will not be able to get there. So, it is better to leave him in Hawaii.

Deportation of Foreign Labor Leaders Demanded HK0405072788 Manila BUSINESS WORLD in English 4 May 88 p 8

[Text] The Trade Union Congress of the Philippines (TUCP) yesterday asked for the "immediate" deportation and declaration as persona non grata of foreign labor leaders who criticized the government and "directly" intervened in domestic trade union affairs.

TUCP president Democrito Mendoza said the actions of these foreigners, who attended the International Solidarity Affairs organized by the Kilusang Mayo Uno [KMU—1 May Movement], are violations of Article 269 of the Labor Code.

Earlier, the foreign trade unionists, in a press briefing, castigated the supposed repressive laws and policies of the Administration and vowed to generate public opinion in their respective countries against the Aquino Administration, adding that they will undertake concerted efforts to prevent President Aquino from speaking before the International Labor Conference scheduled in June.

Article 269 states that "all aliens, natural or juridical, as well as all foreign organizations are strictly prohibited from engaging directly or indirectly in all forms of trade union activities without prejudice to normal contacts between Philippine trade unions and recognized international labor center."

Mr Mendoza likewise called on the Department of Labor and Employment and the Commission on Immigration and Deportation to investigate the incident and apply the full force of the law to prevent similar actions in the future.

Mr Mendoza said while this Administration "has not been exactly faithful" in the protection of workers' rights, no foreigner, "whose presence in the country is made possible by the hospitality of the host government" has the right to engage in activities detrimental to that government.

He said the solutions to internal problems should be left to Philippine trade unions and should not be surrendered to foreigners whose knowledge and perception of local union affairs are limited.

He added that while the TUCP believes in the principle of international solidarity among workers, such solidarity "should cease when foreigners begin to dictate their socialist beliefs" in unionism upon a sovereign government.

Meanwhile, the 35,000-strong Public Sector Labor Integrative Center (PSLink), a federation of 29 associations and unions in various government agencies, yesterday urged for the immediate passage of Senate Bill No. 379 before Congress goes into recess.

Ruben Torres, PSLink secretary general said some government agencies might pre-empt the bill by hastening the unjust reorganization currently being undertaken.

The bill, sponsored by Sen Santanina Rasul, provides for safeguards on the security of tenure of civil servants.

Mr Torres said the bill will put sense and direction in the ongoing reorganization since it will minimize the chances of politicking.

It will also bring justice to the thousands of public service workers who were "unjustly and indiscriminately" dismissed from the civil service.

Editorial Criticizes Aquino Response to Labor
HK0305120788 Manila THE MANILA CHRONICLE
in English 3 May 88 p 4

[Editorial: "Labor's Problems Remain Unsolved"]

[Text] As in the past two May days, President Aquino last Sunday answered labor's demands with less-than-appropriate responses. Instead of honoring the pleas of organized labor for a combined rollback in oil prices and a P10 per day wage increase, the President's men put together a package of relief measures designed, she told a select group of labor leaders, to roll back the cost of living.

While President Aquino granted a 6 percent cut in the prices of some oil products, she said that a wage hike was "ill-advised at the moment." However, she ordered the lowering of electric rates to a uniform P2.50 per kilowatt hour nationwide, and a decrease in interest rates for housing loans from 12 percent to 9 percent. Consequently, this will mean a 25 percent reduction in the amortization to be paid by new beneficiaries of the Government's shelter program.

The President also incorporated into the package an earlier decision to introduce free high school education starting this June.

The immediate aim of these measures, the President said, is to give some relief to inflation. For the longer term, however, Mrs Aquino announced the creation of more jobs via labor intensive Government infrastructure projects, ordered a serious program for population control and the re-evaluation of lower education which she said must emphasize subjects that would prepare the youth for new types of jobs created by economic development.

While the long-term measures display some vision, organized sectors of labor argue that the short-term measures will not necessarily provide relief to the poorest sectors of society: the daily wage earners and the many unemployed.

While the lower gas and energy rates will directly benefit the jeepney drivers, bus operators, car owners and the industrial users of energy, the labor sector fears these reductions will not automatically translate into lower prices of consumer goods. At best, they predict only the stabilization of prices at pre-rollback levels.

Although labor welcomes the lower interest rates on housing loans, the Government's housing program remains a luxury beyond the reach of the minimum wage earner who brings home P67 a day.

Free high school education, while conceded to be a great idea, has problems of its own. The present resources of the public school system can hardly accommodate the influx of students expected to take advantage of the program.

All these measures, the labor sector fears, do not bring more money to workers' pockets, which was their simple, direct demand. Ironically, their employers have more to gain through the windfall profits they are not compelled to share due to lower energy costs.

Government's approach to labor's problems is not only indirect; it also leaves out the majority of the labor force, mainly unorganized, who work in the rural areas. By addressing only the prices of oil, electricity, housing and education, the Administration seeks to stabilize the peace in the urban and industrial areas of the country.

Nowhere in the President's announcement did she recognize the rural workers' need for higher wages and improvement of their living conditions.

Government's convoluted and sectoral approach to its demands has truly befuddled labor. Like an eccentric inventor, Government has assembled mystifying mechanisms to trigger a set of results which may or may not be achieved. In the process, it may just have found an elaborate way to lay an egg.

Aquino Speech to Rural Bankers Association
HK0505081188 Quezon City Radyo ng Bayan in English
0215 GMT 5 May 88

[Speech by President Corazon Aquino in the Rehearsal Room of the West Visayas State University, Iloilo City, during the national convention of the Rural Bankers Association of the Philippines—live]

[Text] Mr Buenaventura, the Honorable Fernando Lopez, Secretary Drilon, Secretary Jayme, Governor Fernandez, Governor Drinio, Mayor Gadzon, Archbishop Diamonte, officers and members of the Rural Bankers Association of the Philippines [RBAP], fellow workers in government, honored guests, ladies and gentlemen:

First, let me congratulate you for holding your national convention near the countryside, in the fair and progressive city of Iloilo. Rural banks by definition know the rural areas. It is thus fitting that your annual gathering is held outside Metro Manila and closer to the rural community served by your members. This reinforces your convention theme: Rural Banks—Catalysts of Agricultural Productivity and Countryside Development. The city and province of Iloilo and, in fact, the entire island of Panay are models of rural entrepreneurship and agricultural productivity that we can all be proud of.

I am told that Iloilo, and Panay Island, have become one of the most productive agricultural areas of our country, particularly in the production of rice and in aquaculture, which is now earning a substantial portion of our foreign exchange. I therefore commend the people of Panay and Iloilo and your leaders and officials. You are setting an example worthy of emulation for the entire country in rural and agricultural development. I am pleased to be with you again.

Last year, when you honored me at your 34th national convention in Manila, I pledged to keep a close watch on the rural banks. I have been observing the development in rural banking over the past year with great interest. In the past year, the growth in capital base, total assets, and particularly the loan portfolios of the rural banks have been faster than that of most other types of banks. The acceleration in the lending activities of the rural banks is all the more remarkable at the time when the number of operating rural banks decreased. The financial reports of the rural banks also show that the past year has improved

in profitability. These developments are in sharp contrast to the trends for the rural banks up until 1986. At that time, the performance of the rural banks was less impressive than that of the other types of banks. The relatively greater growth in rural bank lending and profitability in the recent period, therefore, is another healthy indicator of recovery in the rural banking system which, I believe, is closely tied to the emerging effects of our government's program of financial reform in combination with increasing productive activities in our rural and agricultural sector. While encouraged by the improving performance of the rural banks over the past year, more still needs to be done to accelerate development in our rural and agricultural sector, along with the rural financial system. I know that as many as 500 rural banks have applied to participate in the rehabilitation program for rural banks now being implemented by the Central Bank of the Philippines. These applicants include many of the 350 or so banks that have been classified as being in poor financial health. The fact that only about one-half have been approved raises concern about the slow processing of the applications. Undue delays in the rehabilitation program, I am afraid, may lead to more failures among the rural banks than desirable.

I therefore strongly encourage the Central Bank [CB] and the Rural Bankers Association to work independently all together to implement measures to streamline and speed up the processing of applications for participation in the rehabilitation program. I understand that there have been comments made describing the rehabilitation program as being overly restrictive and having conditions difficult to comply with. I believe that the program is more accurately described as selective, in that the only rural banks which will be able to participate are those with reasonable prospects for viability, independent of continuing subsidies.

A program which is easily entered into and whose conditions are easily fulfilled is probably not a rehabilitation program at all, since the fundamental reasons for nonviability would not have been faced squarely and dealt with. However, given the government's objective of implementing a rehabilitation program that is selective and long-lasting, there have already been at least three stages wherein the selectivity of the program has been liberalized. First, as a result of the dialogues and discussions between your RBAP officers and the Rural Bank Review and Rationalization Committee and the Central Bank; second, in the issuance of the PD [Presidential Decree] Circular 1158, which amended CB [Central Bank] Circular 1143, the original circular of the rehabilitation program; and, finally, in late March this year, in issuing CB Circular 1172, the Central Bank further liberalized the program in response to your recommendation and the intercession of the Congressional Committee on Banks and Financial Institutions, chaired by Representative Isidro Real of Zamboanga.

The liberalizing changes that have been introduced into the rehabilitation process underline our understanding that the rehabilitation of rural banks is a dynamic

process. It is also an effort that focuses not only on the rural banks but involves the entire rural financial market, as all the economic agents in the rural sector as well. It is clear that the rehabilitation program for the rural banks will be an exercise in futility if the rural economy is not also revitalized.

We have already learned from painful and costly experience that credit programs are wasted when borrowers' capacity to repay are not enhanced by support for production. Thus, credit programs have to be preceded and complemented by savings mobilization, investments into physical and social infrastructure, and improvement in agricultural productivity and rural enterprise. It is this vision of a dynamic and complex rural economy that leads us to view the development of the countryside and of our entire nation as the task of creating an atmosphere within which the private sector can freely respond to productive opportunities with the minimum of intervention by the government. The responsibility of government in this context is to be supportive of the efforts of the private sector. The government must thus focus its limited resources on providing the goods and services which the private sector cannot. Public works like roads, bridges, ports, irrigation, research, information, electrification, price stabilization, and extensions. At the same time, the government must act as the custodian of public welfare by promoting social justice and equity, safeguarding proper security and health, and maintaining peace and order. In short, both the government and the private sector have roles to play in rural development. These roles are equally important and critical. The partnership is necessary, but neither is self-sufficient. Both have to be present and one without the other will not be adequate for the task. Thus, the banks must mobilize savings and provide loans, and the government must act to ensure that savings are indeed available and that borrowers develop credit-worthiness.

I realize that the task of accelerating development is a long-drawn-out process and that our nation is still at the beginning stages of the journey. Along this road, the government must also implement certain measures which serve as strategic interventions and innovations which will help bridge any gaps in the transition process. In the financial sector, our government has already undertaken a number of such measures, including:

One, the enlargement of the guarantee capacity and operations of the Quedan Guarantee Fund Board [QGFB], the guarantee fund for small and medium enterprises and the Philippine Crops Insurance Corporation.

From the resources of the QGFB, the Department of Agriculture has allocated a total of P300 million to these agencies so that they may encourage private banks to lend to agri-based projects on a collateral-short or even collateral-free basis.

I am told that in the few months that these guarantee facilities have been available, a total of about P29.6 million in loans to about 1,531 beneficiaries has been guaranteed on programs for guarantee. Furthermore, at least 114 rural banks and cooperative rural banks are already accredited to participate in these guarantee programs.

Two, the continued implementation of the Agricultural Loan Fund [ALF] by the Central Bank of the Philippines, the total size of which is about P3 billion. A grand cumulative total of P1.4 billion has been provided by the ALF. Currently, some 41 rural banks are participants in the ALF program.

Three, the continued implementation of the Cooperative Marketing Program [CMP], which provides loans through cooperative rural banks for coop-based projects. The CMP has a fund of about P88 million.

Number four, the provision of rediscounting facilities for qualified rural banks by the Land Bank of the Philippines, in addition to rediscounting from the Central Bank that has always been available to qualified rural banks.

Five, a number of rural banks have also been regular participants in the Industrial Guarantee and Loan Fund [IGLF] which is also administered by the Central Bank. The IGLF is a long-standing program which has provided significant support for rural industrialization. Qualified rural banks may participate in the IGLF.

Sixth, the continued implementation of the Agro-Industrial Technology Transfer Program [AITTP], which has supported pioneering ventures in agribusiness, especially aquaculture. The AITTP is run by the Technology and Livelihood Resource Center and has a fund totaling P590 million. Again, qualified rural banks may participate in the AITTP.

Finally, the most recent measure which our government has taken to provide liquidity and support for the rural banks is the continuation and expansion of the Integrated Rural Financing [IRF] program. The IRF is one of the more successful financing programs of the government, having maintained very high repayment rates on both the borrower-to-bank and bank-to-Central Bank levels. The IRF program provides special time-deposits from the QGFB into qualified rural banks, and the rural banks can relend the funds to agri-based projects. Under the IRF, there are no restrictions on the type and combination of agricultural commodities that may be financed. The (7NCD's) [expansion unknown] are treated like credit lines. In addition, the IRF program provides intensive training in project management for both borrowers and bank staff. The IRF, therefore, provides maximum flexibility and support for the participating rural banks. The Department of Agriculture has expanded the funds available to the IRF program from P100 million to P300 million, effective immediately.

In closing, let me emphasize that the programs of the government in support of the lending activities of the rural banks are merely instruments of the transition process. Widespread development and revitalization can only take place with the effectivity of reforms which spread wealth and income among most of our countrymen and allow them to make full use of productive opportunities. Therefore, agrarian reform must be a key element of our development efforts. The effective delivery of basic services in agriculture and rural development provide additional necessary elements.

For effective and efficient financial intermediation, the maintenance of a (?policy) atmosphere which encourages freedom and flexibility is another critical element. I recognize that the rural banks have the potential for playing the critical role of countryside development. This is especially true of the town rural banks; those that have survived the years with government subsidies for rural banking could no longer be maintained. [sentence as heard]

These rural banks have learned how to mobilize the small deposits of the rural savers. The good rural bankers have also developed the practical expertise in lending to small, often uncollateralized farmers and rural entrepreneurs. This expertise is a unique comparative advantage of the rural banks. It is also the basic rationale for their rehabilitation and in your much-needed efforts to assume your rightful place as key catalysts of agricultural productivity and countryside development. Thank you and good day.

President Aquino Addresses Travel Agents
HK0405082388 Quezon City Radyo ng Bayan in Tagalog
0400 GMT 4 May 88

[Text] At the 19th anniversary meeting of the International Federation of Women's Travel Organizations [IFWTO] held at the Manila Hotel, President Cory Aquino urged delegates to reflect a good image of the Philippines abroad. The president addressed local and foreign travel agents, urging them to present a true picture of the Philippines to overseas tourists. Mrs Aquino criticized the negative and false reports made about the country, saying that it will be known, in good time, whether those reports are true.

During brief rites at the meeting, the president was given three gifts by the IFWTO president. In her speech the president praised the members of the federation for their work in helping bring progress and peace to the world. Mrs Aquino also exhorted the women delegates not to forget their duties as homemakers. She said that even though women have a large role in today's modern society, they should not forget one of their more important duties.

[Begin Aquino recording in English] I speak on these matters, not to score points for women's rights, but simply to introduce you to the treasures and uniquely

fascinating and exotic factors of our country that so many others abroad have yet to see. Women being women are excellent at spreading the word about these things and are especially intuitive in discerning them. [end recording]

Columnist on Increased Militarization
HK0405081588 Manila BUSINESS WORLD in English
4 May 88 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "Increasing Militarization of the Aquino Government"]

[Text] In the martial law years, the military, encouraged and aided by Ferdinand Marcos, grew in political power, influence and strength.

Military men served as mayors. They were in the foreign service. They also actively managed business concerns. They were even directly in media, having taken control of a business paper and a rock-radio station.

The Filipinos were uneasy over this pervasive military presence in socio-political affairs. They didn't approve of it, but there was nothing they could do about it: we were under martial law.

But all that was supposed to have gone along with the director. The military, after EDSA [Epifanio Delos Santos Avenue Revolution] was expected to be relegated to the back seat. There is no longer rhyme or reason for the leadership to encourage a strong military presence in the civilian government.

But Mrs Aquino, who claims to be the "opposite of Marcos," has picked up where he left off. She has even "bested" Marcos on that score. Today, while the majority of Filipinos remain poor and hungry, the military continues to be blessed with a huge defense budget and promised an even even bigger one by the President herself, superior equipment and firepower which would be utilized to kill Filipinos. In the meantime, even with everything given to the military on a silver platter, the insurgency problem has worsened and crime is still on the rise.

Today, there appear to be more military men in Government than there was in the regime of Marcos.

Leading the pack is, of course, the former AFP [Armed Forces of the Philippines] Chief of Staff Fidel Ramos, who now holds the defense portfolio. His retired officers have also been appointed by Mrs Aquino to civilian government posts. The NICA [National Intelligence Coordinating Agency] post is held by a former military general. Customs is also being run by an ex-general, Salvador Mison.

The latest retired military officer to be granted a position in the civilian government is former Philippine Navy chief Tagumpay Jardiniano, the new postal services

officer-in-charge. His patron, yet to be confirmed Transport Secretary Rainerio Reyes, said Jardiniano has enough management experience with the Philippine Navy. I suppose these days, it is enough for one run a post office if one can show enough experience with sea mail.

Jardiniano reportedly said he would continue the projects of former OIC [Officer in Charge] Jose Aaldecanas, aimed at improving delivery of mail and checking pilferages. The Bureau of Posts has a P626-million budget.

One truly wonders: Are there no other capable non-military people who can take on these civilian posts? Are these former military officers such super management boys? And will the government bureaus run better with military people at the helm? More importantly, is it healthy for the nation to have military people in civilian government positions?

Apparently, from its actions, this Administration believes that public offices will be better managed by military officers. And from other actions, it also seems that the Aquino Government wants her people to have a monopoly of directorships in government corporations.

Too many of her Cabinet secretaries and other functionaries have been named directors of various corporations, and holding different positions in government. This is violative of the Constitution, and yet the practice goes on.

In Customs, it is said that collections have gone down drastically since a military general took over. Smuggling has not been checked and morale is low. But apparently, none of these seems to matter to the Administration. It seems enough that a military man runs Customs.

Because of the heavy presence and influence of the military in the civilian government, all attention is being heaped on the military and its needs.

Very little attention is given to the national problems of population explosion, restiveness of labor, growing unemployment, the health needs, poverty and mendicancy.

The military likes the power and influence it now holds over Mrs Aquino.

But do the people?

Paper on Supreme Court Ombudsman Feud
HK0405073588 Manila THE MANILA CHRONICLE
in English 4 May 88 pp 1, 7

["Analysis" column by Amando Doronila: "Gonzalez is Brave—and Foolish"]

[Text] The Tanodbayan [ombudsman] Raul Gonzalez, is discovering, to his grief, that he is not tangling with merely three justices of the Supreme Court who wrote those controversial notes on behalf of their friends but with a sacrosanct institution called the High Court.

When he decided to take on the court following its ruling to strip the Tanodbayan of its prosecution powers, Mr Gonzalez also provoked an issue which forced another institution, the Congress, to close ranks with the Court.

Mr Gonzalez had intended to carry his fight with the Court to the political arena—i.e., air further allegations against the justices at congressional committees, hoping that he could be clothed with legislative immunity. But, unfortunately for Mr Gonzalez, members of Congress are denying him access to the committees as his venue for further attacks on the justices.

Mr Gonzalez is a brave—and apparently foolish—soul who thought that he could bring Congress to his side. But Congress knew better—that it was being involved in a controversy that did not serve its institutional interests.

What Mr Gonzalez has precipitated is an intimidating demonstration of the principle of separation of powers by two of the principal institutions of democratic government.

The Tanodbayan was incorporated into the judicial system by the corrupt Marcos regime to pay lip service to the cause of bringing to justice venal officials. Never mind the motive for the incorporation. The fact is that it is, for all intents and purposes, now part of the judicial system. And when he made public allegations of improper behavior by the three justices, he put himself above the process within the system which has its own mechanism for the investigation of grievances. The main arbiter in the process is the High Court.

This breach in internal procedures has offended the court. So the tribunal has asserted its judicial authority over him, and he now faces possible contempt action.

The hands-off attitude taken by Congress when it refused access by Mr Gonzalez to its committees illustrates how deeply ingrained is the principle of separation of powers. In effect, Congress has signalled that it will not interfere in the internal disciplinary system of the judiciary, thus leaving Mr Gonzalez on a limb.

In respecting the constitutional boundaries between the legislative and the judiciary, the Congress has not only reestablished the old landmarks that were obliterated by the Marcos dictatorship.

Its action also highlights the conservatism of these two great institutions in the system of checks and balances restored by the 1987 Constitution. Both institutions have traditions of their own, and one of the traditions which the Supreme Court is jealous about is that which requires stern action against challenges to its institutional integrity. The move by the Court to take disciplinary action against Mr Gonzalez can be seen as a forceful expression of this tradition.

It augurs well—at this stage of the reestablishment of the balance of power between Congress and the court—that the legislative is not encouraging dissidence within the judicial system by its own members.

There is already a distressing level of dissidence within the Armed Forces and between some factions in the military and the civil government. Congress and the Executive have also their own tensions over members of the Cabinet whose technocratic values clash with the traditional patronage values of the legislature.

In trying to discipline Mr Gonzalez and to bring him into line, the court seeks to strengthen its authority not only over the members of the judicial system but also in relation to the other branches of government. Its moral authority may not have been enhanced by the notes signed by the three justices on behalf of their friends. This made them—and the entire court itself—vulnerable to charges by Mr Gonzalez of laxity in its probity.

But given all this, the controversy must be viewed against the broad background of the adjustments that are taking place today as the Executive, the Legislative and the Judiciary seek their proper places in a new system of checks and balances. There are tensions in these adjustments, but that is how democracy in a restoration evolves.

Right-Wing Squads Threaten War on Leftists
HK0305121188 Manila THE MANILA CHRONICLE
in English 1 May 88 p 5

[Text] Angeles City—Vengeful Right-wing death squads here yesterday gave Leftist groups both legal and underground until May 15 to reconsider their positions or bear the brunt of a Rightist-initiated “all-out war” against them.

Rightist warnings were aired Friday during the burial of a slain Pampanga vigilante leader in San Fernando during which the existence of two new Rightist death squads was also formally announced.

Leaders of the Angelino Simbulan Brigade and the newly formed Francisco Medina and Francisco Sabile brigades said they were targeting for liquidation leaders and members of the NDF, CPP [Communist Party of the Philippines], and the NPA, including their front organizations.

“We are giving supporters and followers of subversive organizations until May 15 within which to withdraw their assistance or face the consequences,” a spokesman of the group who identified himself as Kumander [Commander] Teody told reporters.

“We know who these people are through captured papers and information supplied by members of these subversive groups,” he said.

He said the new Rightist alliance is composed of CHDF volunteers and former NPA rebels, who are backed by Pampanga businessmen.

Reports placed their number at around 250 fully armed volunteers.

Teody said restrictions on the military police, and paramilitary units in dealing with the insurgency and criminal organizations here have left them at a disadvantage.

“While we capture and make prisoners of the enemy, to them death is the only retribution. We are fighting an unconventional war with our hands tied behind our backs,” the Rightist leader said.

The warnings followed the killings by Sparrow gun men last Friday of Mabalacat deputy police chief Francisco Medina and vigilante leader Francisco Sabile.

Defense Seeks Supplemental Budget From Congress
HK0505084588 Manila BUSINESS WORLD in English
5 May 88 p 10

[Text] The defense department is set to press for the passage of a bill requesting congressional approval of a P2.2-billion supplemental budget.

This amount is P0.4 million less the original P2.6 billion which defense wants Congress to approve in addition to its P10.2-billion budget.

Defense Secretary Fidel Ramos said yesterday his department's proposed supplemental budget was already reduced to P2.2 billion from an earlier proposal of P2.6 billion which was the amount cut by Congress from the total defense budget submitted for legislative approval. “So, we are only asking if this cut portion of our approved budget could be restored.”

In the initial proposed P2.6-billion budget, P1.2 billion will go to pension rates adjustments for retired servicemen.

The second biggest chunk, P504.7 million, will go to the 80,000-man force that would comprise the defense department's proposed Citizen's Armed Force Geographic Units Active Auxiliaries (CAFGUAA).

The CAFGUAA is meant to replace the Civilian Home Defense Force.

Some P80.7 million was meant to be allotted for adjustments in such items as hazard-duty pay, seaduty pay, parachutees' pay and radiation pay; P190.4 million for military hardware and buildup of military reserves and the rest for maintenance and other operating expenses including fuel, clothing and equipment, medicines, repair, training, civilian-military operations and combat expenses.

President Aquino, who has been pressing for more adequate equipment and combat pay for the Armed Forces, is expected to submit a bill to be certified urgent, asking congressional approval of the proposed defense supplemental budget.

Another bill, expected to be similarly certified, proposes the creation of the Philippine National Police (PNP) to complement the military's counter-insurgency operations.

The DND [Department of National Defense] envisions some 88,000 men for the PNP, 30,000 of which are expected to come from the Philippine Constabulary and 58,000 from the existing Integrated national Police force.

Mr. Ramos explained that the PNP shall satisfy the need for forces to be in place and ready to be mobilized anytime by the military in its fight against the insurgency. "These forces will be supplied by those native in the various areas," he said, adding that "there is no point chasing the enemy and not holding any positions while (doing so)."

The defense secretary said there is an urgent need for both bills to be approved, especially since these fill a vacuum in territorial defense.

Both bills are expected to be submitted to Congress before it adjourns in June.

Ramos Wants Stronger National Police Force
HK0505034788 Manila Far East Broadcasting Company in English 2300 GMT 4 May 88

[Text] Defense Secretary Ramos yesterday [4 May] batted for a stronger National Police Force to meet threats from the enemies of the government. Ramos said the forthcoming dissolution of the Philippine Constabulary and the Integrated National Police and their replacement with the Philippine National Police should be the beginning of a strengthened police force imbued with a determination to serve the people's interests. He said the proposed Philippine National Police is provided for in the Constitution and would have expanded responsibilities and a greater strength to meet added tasks. The defense chief said he would work for the attainment of an ideal policeman-to-population ratio to achieve better peace-and-order conditions. He said at present the ratio is one policeman for every 1,000 population [as heard]. He said the ideal ratio is one policeman for every 500 people.

Ramos, De Villa Urge Forming Civilian Forces
HK0405075988 Manila THE MANILA CHRONICLE in English 4 May 88 p 7

[By Marilou Mangahas]

[Text] Civilians may have to be drafted earlier than scheduled in the war against insurgents.

Those so drafted will serve as "territorial peace-keeping forces."

Military officers argued yesterday that this must be done so as to augment the "very low" concentration of regular troops in rebel-infested areas such as those in the North.

A consensus on this strategy was reached by President Aquino, Defense Secretary Fidel Ramos, Gen. Renato de Villa, Armed Forces chief of staff, and congressmen from Ilocos Norte and Cagayan Valley during a morning meeting in Malacanang.

Ramos and De Villa proposed the "acceleration" of the formation of the Citizens Armed Force Geographical Units (Cagfus) ahead of its scheduled full launching late this year.

The Cagfus, Ramos said, would replace the Integrated Civilian Home Defense Forces (ICHDF), the foremost paramilitary group of the Marcos era that the Constitution has sought to abolish.

The Constitution, however, also mandates the formation of a "citizens armed force," a concept that the military has developed into the Cagfus. Guidelines on the Cagfus have been spelled out by the Departments of Local Government and of National Defense.

Ramos sought and obtained the lawmakers' support for approval of a P2.6-billion supplemental budget requested by the Armed Forces, providing P500 million for the Cagfus' formation.

He said he "strongly suggested" the acceleration of the Cagfus' formation because "the overall consensus was that we do lack additional units and troops in that area (Regions 1 and 2)."

But because Congress, particularly the House of Representatives, has not passed a law authorizing the Cagfus' formation, the paramilitary force has no budget to make it operational.

For next year, the military proposes the enlistment of 100,000 civilians, starting with reservists, in the Cagfus at a cost of P732 million. Of this amount, P722 million is proposed to be given as compensation for the Cagfus at the rate of about P500 monthly for each draftee.

This year, the ICHDF has been allotted P115 million for its remaining 45,000 men, and there is no clear policy yet on when it will be fully abolished.

During the two-hour meeting in Malacanang, the 23 solons from Ilocos Norte and Cagayan Valley talked about the peace and order problems in the two regions.

Press Undersecretary Ralph Perez de Tagle said the lawmakers cited "the need for continuing mutual respect and active cooperation between the executive and legislative departments."

The meeting, the first of Mrs Aquino's series of dialogues with congressmen from various regions, also discussed the need for "productive infrastructure programs" such as irrigation and roads and dams, executive support for the regions in obtaining foreign funding for certain projects, and the widespread infection of tobacco crops in the regions by a plant virus.

Rep. Eric Singson (Ilocos Norte), Tagle said, asked Mrs Aquino to declare a state of calamity in his region "owing to the severe and sudden decline of tobacco production and prices caused by widespread virus infection and defective imported fertilizer." The President, however, did not make any policy commitment.

Rep. Gualberto Lumaug (Ifugao) asked Mrs Aquino to consider the congressmen's nominees to the Regional Consultative Commission for the Cordilleras.

Cabinet Approves Citizen Force

HK0505085188 Manila PHILIPPINE DAILY GLOBE
in English 5 May 88 p 2

[By staff writer Alvin Capino]

[Text] President Aquino and the Cabinet approved yesterday the creation of an 80,000 strong Citizens' Armed Force Geographic Unit (CAFGU) to be financed with part of the P2.6 billion supplemental defense budget that will be endorsed to Congress as an urgent administration bill.

The Cabinet also agreed to certify as urgent the administration measure on the organization of the Philippine National Police (PNP) from the integration of the Philippine Constabulary and the Integrated National Police.

Press Undersecretary Ralph Tagle said Defense Secretary Fidel Ramos stressed to the Cabinet the importance of the two measures in the government's counterinsurgency program.

Ramos said both the PNP and the CAFGU will fill a vacuum in territorial defense explaining that "there will be no point in just chasing and not holding any position."

"There will be need for forces in place," Ramos said, referring to the role to be played by the PNP and the CAFGU. "And this will be supplied by forces native to the area."

CAFGU, according to Tagle, will replace the CHDF. He said it will be a civilian force under the control of the military and "under military discipline."

He pointed out that the organization of the PNP and CAFGU is provided for in the 1987 Constitution.

Tagle said that of the P2.6 billion supplemental defense budget which will be requested, P504.7 million will be used to fund CAFGU. Other allocations are for adjustments in rates of benefits like hazard-duty pay, flying pay etc., P80.8 billion; maintenance and other operating expenses, P1.8 billion; military hardware, P190.4 million.

Villagers Accuse Military of Rights Abuses

HK0505083188 Manila PHILIPPINE DAILY GLOBE
in English 5 May 88 p 6

[By Ceferino Acosta]

[Text] Northern Samar folk are accusing the military of human rights violations, a fact-finding and relief mission disclosed yesterday.

In a press conference in Quezon City, the Northern Samar fact-finding mission said residents of five barangays in the province related their plight as a result of the military's counterinsurgency operations there.

The mission is composed of the Visayas-Ecumenical Movement for Justice and Peace (EMUP), task Force Detainees (TFD)-Samar, and Ateneo Human Rights Center (AHRC). The fact-finding was conducted from April 26 to 30 in barangays Osmena, Lakandula, Victory and Mabini, all in Las Navas municipality, and in barangay-Tubang in Silvino Lobos town.

The report of the mission revealed that barangay Tubang was completely deserted after "the 46 houses in the barangay proper were burned during operations by military men allegedly belonging to the 19th (Army Infantry Battalion) led by a certain Bagsao and Captain Rivera."

The report also said that the series of military operations which affected many barangays in Las Navas and Silvino Lobos prompted many residents of Tubang to flee to the forests.

The report added that 26 families were left in the forest, two other families evacuated to barangay Mabini, and some went to Western Samar.

In Barangay Osmena, five houses were burned and looting, allegedly done by the military, was rampant, the report claimed.

"Evacuees said that from Osmena the military proceeded to barangay Lakandula...(where) a looting spree followed...(and) the house of a farmer named Henriquito Diaz...was burned," the report added.

In Barangay Victory, six women "were forced to carry guns and roam around the barrios in an act of serious harassment by the military men and CHDF members," the report went on.

The women were allegedly accused by the military of being collectors of rice for the communist New People's Army. The military men allegedly burned four houses.

The report also said that a total of 2,886 residents who evacuated from 11 barangays in Las Navas and Silvino Lobos sought refuge in barangay mabini.

The mission members said they were demanding an impartial investigation to be conducted on the allegations of the villagers, and that the national and local governments should put emphasis on economic development, health service and education needs of the villagers.

The Ecumenical Movement for justice and Peace (EMJP) said in a statement that "the ongoing militarization in northern Samar further underscores the brutality of the Aquino government's total war policy. it lays bare some of the policy's anti-people components, namely, the employment of scorched-earth tactics, the use of deception and propaganda, and the utilization of notorious paramilitary forces like the CHDF and the vigilante Alsa masa."

Central Luzon Military Reshuffle Begins
HK0305112988 *Quezon City Radyo ng Bayan*
in Tagalog 1000 GMT 3 May 88

[Text] The reorganization of top military officials in Central Luzon has started. Last week five Constabulary officers had their assignments changed as a beginning of the reshuffle this year in that region. Lieutenant Colonel Victor Signey is now the commander of Angeles City Metropolitan District Command (Metrodiscom). He replaced Lieutenant Amado Espino Jr who was sent to the States to study. Among those receiving new assignments are Lieutenant Colonel MacArthur Torres, commander of Olongapo Metrodiscom; and Lieutenant Colonel Domingo Reyes Jr., who was sent to the Command General Staff College.

NPA Influence Said Diminishing in Bicol, Laguna
HK0505092188 *Quezon City Radyo ng Bayan* in Tagalog
0800 GMT 5 May 88

[Text] An estimated 50 barangays in Bicol's Bondoc Peninsula and in Laguna are being recaptured by the military from the grip of the NPA influence every month.

Brigadier General Alejandro Galledo, commanding general of the Southern Luzon Command, attributed this to the void in the CPP [Communist Party of the Philippines]-NPA leadership following the arrest of the movement's top officials.

At the same time, Gallido said the military continues to track down other rebels who have moved to other areas. It is also hunting for three foreigners who allegedly took pictures of a raid conducted by the NPA in San Francisco, Quezon Province on 3 February.

He said that if the photographers proved to really be foreigners, they have no right to intervene in the country's domestic affairs.

More Troops Reported Sent to Northern Luzon
HK0405082588 *Quezon City Radyo ng Bayan* in Tagalog
0400 GMT 4 May 88

[Text] More troops will be dispatched to northern Luzon to step up the fight against the communist guerrillas. The move was approved by President Cory after she received reports about some foreign journalists extending financial assistance to the rebels. In view of this, it is reported that military authorities are questioning the foreigners.

Ocampo Assumes South Luzon CPP Leadership
HK0405080188 *Manila THE MANILA CHRONICLE*
in English 4 May 88 p 6

[Text] Lucena City—Former newsman Saturnino Ocampo has taken over the leadership of the Communist Party of the Philippines [CPP] in Southern Luzon, the military said yesterday.

The alleged change in the communist hierarchy in the area was bared by Brig. Gen. Alejandro Galido, Southern Luzon Command (Solcom) chief, who said that the former regional party chief, Jose Luneta, was demoted along with Sotero Llamas, former head of the Bicol Regional Party Committee.

Galido said the reorganization was brought about by the capture last March 29 of three of the top CPP leaders—Benjamin de Vera, Rafael Baylosis and Romulo Kintanar—who reportedly belong to the militarist faction of the party which advocated more violent means in seizing power. Luneta and Llamas allegedly belong to this faction.

Galido said the military's assessment that Ocampo is now the SLC [Southern Luzon Committee] chairman was based on rebel documents and reports sent by the military intelligence agents as well as "deep penetration agents" (DPAs) within the rebel ranks.

"They (the rebel) are not in the process of consolidating, re-educating and retraining their men," Galido said, noting the decline of rebel attacks in the last two months. He said the number of rebel-initiated incidents went down by as much as 55 percent in April compared to the figure over the last three months.

Meanwhile, five soldiers a civilian and two New People's Army (NPA) guerrillas were killed in separate clashes with troops in Nueva Vizcaya and Masbate last Saturday, the military said yesterday.

In the Nueva Vizcaya incident, the five soldiers and the civilian were killed when a patrol team from the 131st PC Company was ambushed by a heavily armed rebel band in Sitio Locod, Barangay Bittong, Dupax del Norte, a military report said. A sixth trooper was wounded in the attack.

Camp Crame said a guerrilla was killed when the soldiers fought back. The civilian fatality was hit by stray bullets, the report added.

In Masbate, Glicerio Latagan alias Commander Palos was killed when his group clashed with PC and police troops in Sito Limbasan, Barany Madao, Uson town.

Sison To Reassume Top Communist Post
HK0405073988 Manila PHILIPPINE DAILY GLOBE
in English 4 May 88 p 2

[By staff writer Dionisio Pelayo]

[Text] Jose Ma. Sison, Communist Party of the Philippines [CPP] founder, is set to reassume his post as CPP chairman when he returns to the country from Europe.

Captured CPP documents made available to the GLOBE yesterday by military intelligence sources said a meeting of the CPP political bureau in 1987 decided to "phase in" Sison to the CPP chairmanship, now occupied by Benito Tiamson on an "officer-in-charge" [OIC] capacity.

Sison, however, is the only elected chairman of the CPP and all others who occupied the position after his arrest in 1977 were all OICs or in an "acting" capacity.

However, the CPP is studying the feasibility of separating the position of executive committee chairman and party chairman. Both positions are now occupied by whoever is the party chairman in the present set-up.

Draft amendments to the 1968 CPP constitution separates the two positions. The practice had been adopted by other communist parties abroad, the document said.

The CPP political bureau, the document said, will decide on when Sison would be "phased-in" and would notify members of the central committee who are in the Philippines.

Several members of the CPP central committee are operating abroad, particularly in Europe, where they are drumming up support for the local communist movement.

The documents revealed that several members of the CPP central committee who are in the Philippines are not yet aware of the plan to "phase-in" Sison as party chairman saying "marami ang hindi nakakaalam. May pagtingin na dapat impealam dahil ka-equal naman siya na regular member ng executive committee at mayroon naman na hindi dahil sa security. [The majority do not know about it. Since he has the same standing as any regular member and this does not involve security, the matter should be announced.]"

However, the documents indicated that the CPP leadership are worried over questions that many arise when Sison reassumes party chairmanship saying "ang tanong ng mga central committee members kung paano siya (sison) naging chairman ay dapat sagutin." ["The question of the Central Committee members should be answered. How did he (Sison) become chairman?"]

The documents also indicated that there are questions raised on the personal conduct of Sison but that "re sa tsismis sa labas: pigilin at di dapat pag-usapan dahil hindi ito beripikado. Pero kailangan ring i-follow up at iparating sa direktang concerned. [Regarding the rumors outside, they should be stopped because nothing has yet been verified. The matter has to be followed up and brought to the person directly concerned.]

"Ang personal conduct ng isang namumunong kadre ay dapat itake seriously. Re disco: if frequent at pinaghihiguan is not simply a clean fun move and therefore tolerable, kundi isang unwarranted conduct batay sa standard at disiplina ng kilusan." ["The personal conduct of a leading cadre should be taken seriously. On the matter of going to disco, if it is frequent and he is very fond of it, then, it is not simply a clean fun move and therefore not tolerable. Instead, it is unwarranted conduct based on the standard and discipline of the movement."]

The documents also said Sison is now being pressured to re-assume as chairman of the CPP and that he will do so once he returns to the Philippines.

Earlier, Col. Oscar M. Florendo, AFP [Armed Forces of the Philippines] spokesman, said Sison would be arrested once he returns to the country.

Florendo did not explain the basis of the arrest order for Sison, who was released from detention over protests from the military, shortly after President Aquino took over in February 1986.

Seven Killed by NPA Suspects in Cebu
HK0405122588 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 4 May 88

[Text] Suspected rebels ambushed and killed seven persons, including a Channel 13 television transmission technician, in Barangay (Babagulo) in Cebu City yesterday. The victims were shot dead by the attackers.

Meanwhile, some 1,000 fled two barangays in Turil district in Davao City. The evacuees claimed they had to flee after the military launched a search-and-destroy operation against rebels in their area. They are presently housed in an elementary school.

Four Killed in Zamboanga Rebel Attack
HK0505084788 Manila PHILIPPINE DAILY INQUIRER in English 5 May 88 p 7

[By M. Feliciano]

[Text] Zamboanga City—Four children were slain when suspected New People's Army rebels attacked sitio Tanayalon, Magpet, Cotabato Friday night according to a belated military report reaching the southern Command here yesterday.

Killed were Merlina, 15, Maribel, 9, Diony, 6, Jonalyn, 5 all surnamed Melancio. Three other Melancio children identified as Joel, 14, Jennifer, 3, and Mariam, 13 were wounded and were taken to the Kidapawan Emergency Hospital. Their parents escaped unhurt in the attack.

The Communist rebels led by a certain Kumander Bartol, strafed the house of the Melancio with Sub machine gun fire.

Constabulary soldiers were dispatched to barangay Annabel where the rebels reportedly fled.

In another violent incident here, a vice-mayor of Patikul municipality in Sulu and a companion were killed in an ambush Sunday morning when his jeepney was fired upon by an armed group reportedly led by Amlon Moro, a notorious bandit, according to a military report reaching the Southern Command.

Killed were Hadji Jallao, the Patikul vice-mayor and his 14 year old companion identified as Sanoh Durih.

Guerillas Killed; 1 PC Wounded in Samar Clash
HK0505091588 Quezon City Radyo ng Bayan in Tagalog 0800 GMT 5 May 88

[Text] Four communist guerillas were killed and one Constabulary trooper was wounded in a 1-hour encounter in a remote barangay in San Julian, Eastern Samar yesterday.

Eastern Samar PC Commander Major Bartholomeo Baluyot stated that the guerillas ran into the soldiers who were patrolling near Barangay Libas. The guerillas fled into the forests and left behind their slain comrades. The injured soldier was identified as Sergeant Perfecto Manbulao and is presently confined at the Samar Provincial Hospital.

Trooper Killed by Suspected Sparrows in Manila
HK0305084788 Manila PHILIPPINE DAILY GLOBE in English 3 May 88 p 7

[By correspondent David Jude Sta. Ana]

[Text] A Philippine Constabulary (PC) sergeant was shot and wounded yesterday afternoon by three suspected communist "Sparrow" hit men in Pandacan.

Police identified the victim as Tsgt. Benjamin Batacan, 41, of 2455 Laura street, Pandacan, Manila.

Batacan is reportedly assigned to Camp Crame in Quezon City.

A four-man follow-up team from the Western Police District's (WPD) homicide division was in the area when the incident happened.

The four policemen were able to intercept the gunmen and hit and wound one of the gunmen.

Residents in the area said that the gunman wearing a blue shirt, was wounded on the right back shoulder.

The four policemen, however, had to give up the chase as they ran out of bullets.

The gunmen were described as young and good-looking.

One of the suspects was described as around 20 years old, 5'3" in height, long-haired, fair-skinned and of medium build. The suspect was wearing a green shirt.

The second suspect was around 23-25 years old, 5'2" to 5'4" in height, curly haired, dark-skinned and of medium build. This suspect was wearing a red shirt with stripes.

The third suspect was around 20 years old, 5'3" in height, curly-haired, fair-skinned and of medium build. This suspect was wearing a striped blue shirt.

One of Batacan's friends, Pedro Tababa, 60, of 2430 Laura street, said that he and Batacan were playing pool around 2:20 p.m., when a man wearing a blue shirt entered the store.

Tababa said the gunman pulled out a .45 caliber automatic pistol and shot Batacan twice in the head.

The gunman then left a note on Batacan's body and then fled on foot.

The note read "Mabuhay ang walang humpay na pakikibaka ng Brigadang Alex Boncayao para sa Sambayan." ["Long live the unceasing struggle for the nation by the Alex Boncayao brigade."]

The shots were heard by four WPD homicide policemen who were in the area following up a stabbing case.

The Police said the four rushed to the scene when they ran into the three gunmen running in the opposite direction.

1 Killed in Army, NPA Clash in Cabanatuan
HK0405104988 Manila Manila Broadcasting Company DZRH in Tagalog 0942 GMT 4 May 88

[Text] This is a flash report. An encounter which lasted about an hour occurred at around 1100 this morning in Cabanatuan City between soldiers of the 189th PC Company and members of the Communist Party of the Philippines-New People's Army. The incident occurred at Talipapa, Cabanatuan City.

In his initial report, Captain Aturo Cacdac, commanding officer of the 189th PC Company, said one rebel was killed and one arrested in the incident. Slain was Mario Ocampo alias Ka [Comrade] Brando, a resident of Ilog Baliwag, Santo Domingo, Nueva Ecija. Cacdac also said that the communist group they had clashed with was led by Emil Velayo alias Ka Jim, who operates in this province. The arrested rebel has not been identified to date because he refuses to talk.

The military seized various documents and weapons from the slain and arrested rebels and are reported to be still in pursuit of the fleeing rebels.

From Cabanatuan City and for DZRH news, this is Andy Verde of DWAU reporting.

Former Student Leader Killed by Vigilantes
HK0505031788 Quezon City Radyo ng Bayan in Tagalog 1100 GMT 4 May 88

[Text] A former chairman of the League of Filipino Students [LFS] was shot and killed by a group of anti-communist vigilantes in Barangay Tupol, Orete, Iloilo City.

According to the police, Rene Cordero was riding a motorcycle with a woman companion when he was stopped by five members of a vigilante patrol. Cordero was on his way to Barangay Inabasan.

His woman companion, identified as Maria Luisa Padilla, was not hurt.

Cordero was an engineering student at the Western Institute of Technology in Iloilo and LFS leader from 1985 to 1986.

Four CHDF Members Reported Killed in Ambush
HK0305105588 Manila Radio Veritas in Tagalog 0700 GMT 3 May 88

[Text] Four CHDF members were reported killed in an ambush that occurred at 0200 yesterday, in Lupayan, Sultan Kudarat. According to Mayor Datu Pat (Laula Datu), the victims were on board a boat carrying out a routine patrol in Lake Buluan when they were fired upon by about 30 heavily armed men suspected to be MNLF members. The victims drowned in the lake and their boat sank.

Meanwhile, Mayor Pat (Laula Datu) told residents not to worry because the authorities are in full control of the area.

Three Killed, Two Arrested in Cotabato Clash
HK0505094388 Manila Radio Veritas in Tagalog 0700 GMT 5 May 88

[Text] Three NPA were killed and two were arrested by military troopers in Sitio Villegas, Barangay Granita Makilala, South Cotabato. It was also reported that several NPA were also wounded in the clash which occurred at around 0430 [local time] last Wednesday.

According to the report received by Major General Mariano Adalem, Philippine Army commanding general, Philippine Army soldiers and CHDF elements led by Staff Sergeant Estrellana and Staff Sergeant Laurente clashed with a group of 30 heavily armed NPA led by an unidentified commander. A fierce firefight took place and lasted for an hour. There were no casualties on the Philippine Army side. The soldiers recovered from the battle scene an M-16 rifle, a Garand rifle, two carbine, and a bundle of subversive documents.

The arrested NPAs were identified as Tiburcio Pamulagan and his wife, Tahan Pamulagan. Both are undergoing a tactical interrogation.

General Adalem has sent his congratulations to the Philippine Army soldiers who bravely fought the NPA terrorists.

Clash With NPA Guerrillas in Negros Oriental
HK0405082788 Manila Radio Veritas in Tagalog 0700 GMT 4 May 88

[Text] Rey Rodriguez reports a 20-minute firefight between the NPA rebels and military elements in Negros Oriental:

[Begin recording] Based on a report from the Negros Oriental PC rescue camp Aguineldo just a moment ago, the encounter occurred at 1500 last Sunday in sitio Kasilpinitan, barangay Mantique, Siaton, Negros Oriental. The firefight erupted when the PC-ICHDF [Integrated Civilian Home Defense Command] team of the Security Platoon encountered an undetermined number

of NPA rebels. The team was headed by 1st Lieutenant Oscar Lumalog of the 337th PC Company. The victims were identified as Rogaciona Inovalda alias Comrade Inday and Egaristo Ihog, both residents of sitio Panangas, barangay Mantique, Siaton, Negros Oriental. There were no casualties on the Government side. A homemade shotgun loaded with three bullets, and a fragmentation grenade, were retrieved from the site of the clash. [end recording]

Mindanao Talks Resumption Sought
HK0505084188 Manila THE MANILA CHRONICLE
in English 5 May 88 pp 1, 6

[Text] Eighteen Mindanao congressmen yesterday urged President Aquino to resume peace talks with the Moro National Liberation Front (MNLFF) as the pushed for the immediate creation of an autonomous region in the South.

In Resolution 672, 19 members, led by rep. Guimind Matalam (Maguindanao), chairman of the House committee on Muslim affairs, asked the President to take the first step in reviving the stalled peace negotiations with the MNLFF.

The 19th signatory to the regulation was an Ilocano congressman—Simplicio Domingo of Isabela.

They said both the Government and the MNLFF, headed by Nur Misuari, appeared willing to return to the negotiating table and seek peaceful means of ending the 17-year-old Mindanao conflict.

The peace talks resumed in February last year but needed abruptly in may.

The resolution claimed the MNLFF now "intensely desired" the creation of an autonomous region in muslim Mindanao as provided for in the new Constitution. It did not elaborate.

The lawmakers also asked President Aquino to designate the House committee on Muslim affairs as the secretariat if the negotiations resume.

The other sponsors of the resolution were Reps. Arden Anni, (Sulu), Alawadin Bandon (Tawi-Tawi), Ali Dimaporo (Lanao del Sur), Michael Mastura (Maguindanao), Estanislao Valdez (Sultan Kudarat), Maria Clara Lobregat (Zamboanga City), Isidoro real Jr. (Zamboanga del Sur), Mariano Badelles (Lanao del Norte), Alvin Dans (Basilan), Rodrigo Gutang (North Cotabato), Gregorio Andolana (North Cotabato), Adelbert Antonino (South Cotabato), Ernesto Amatong (Zamboanga del Norte), Abdu Sakur Tan (Sulu), Omar Dianalan (Lanao del Sur), Abdullah Dimaporo (Lanao del Norte), and Baltazar Sator (Davao del Norte).

MNLFF Said Preparing for Series of Raids
HK0505093788 Manila Radio Veritas in Tagalog
0700 GMT 5 May 88

[Text] Military officials in Zamboanga City today confirmed that MNLFF troops have already been deployed to strategic areas in Mindanao, in preparation for a series of raids against the Government during the third week of this month. Details from Edwin Fernandez, in Mindanao:

[Begin recording] The military report from the Southern Philippines says that thousands of MNLFF members belonging to the group's elite suicide squad or Bangsa Moro [Moro Homeland] army forces have already been deployed to different areas of Mindanao in preparation for their general uprising scheduled for the third week of May, the end of Ramadan. Part of the Muslim rebels' plan is to separate Mindanao from Luzon and the Visayas. This will be done by bombing the ports in Zamboanga City, General Santos City, Davao City, Cotabato City, Cagayan de Oro City, and Pagadian City; as well as bombing the transmission and communication lines throughout Mindanao, Sulu, and Palawan.

The military intelligence report also revealed that the Moro rebel troops belonging to the [words indistinct] Davao revolutionary command are gathering in large groups in the different urban centers of Mindanao. Muslim rebels belonging to the said group were also seen in Tawitawi, Palawan, Sulu, and Zamboanga Peninsula. [passage indistinct]

According to the Coast Guard, the Southern Backdoor has already been barred by navy ships. The military provided assurances that they are prepared for any eventuality. [end recording]

Foreign Debt Said Increased by \$30 Million
HK0405072588 Manila BUSINESS STAR in English
4 May 88 p 1

[Text] The country's \$28-billion foreign debt grew by at least \$30 million between January and March this year with the approval of two fresh foreign loans by the Monetary Board, the policy-making body of the Central Bank [CB]. CB governor Jose Fernandez Jr. has reported to Congress.

The report however does not say how much of the debt was repaid in the same period.

By reporting promptly to Congress, Fernandez was following the constitutional provision which directs the Monetary Board, of which he is chairman, to submit to Congress within 30 days from the end of every quarter of the calendar year "a complete report of its decisions on applications for loans to be contracted or guaranteed by the government or by government-owned and controlled corporations which would have the effect of increasing the foreign debt."

Fernandez said the CB approved the request of Philippine Airlines to convert into a medium-term loan \$20 million which is the short-term credit component of its \$40-million credit facility. Its creditors are the Creditanstalt Bankverein and the Pacific Overseas Finance Corporation. The loan will mature in five years at an interest rate of 1/2 percent over the London interbank offered rate of LIBOR.

Fernandez explained that the \$20-million loan facility is guaranteed by the Foreign Credit Insurance Association. It will be used to buy imported equipment.

The other loan was incurred by the government-owned national Steel Corporation which borrowed \$10 million from the Spanish government in order to acquire "Spanish goods and services." What these consisted of was not specified. He also reported that "the CB has not authorized any new credit line under the \$3-billion revolving trade facility" during the same period. No-Strike Pacts [subhead]

The bill to encourage voluntary no-strike no-lockout agreements between labor and management reached the Senate floor yesterday for second reading.

The Senate has decided to pass this bill before the June 10 recess along with 22 other priority bills which include 10 bills of various senators. A senator told BUSINESS STAR, however that the self-imposed Senate deadline is endangered by the conference committee deliberation on the CARP [Comprehensive Agrarian Reform Program].

Briefs

Debt Restructuring Talks

The Philippines will end its debt restructuring talks this month. Finance Undersecretary Ernest Leung said the United States and the Netherlands are expected to send their drafts of the restructuring agreement soon. Of the country's nearly \$1 billion official debts, debt service obligations with the U.S. amount to \$200 million and with the Netherlands, \$30 million. Leung said the two countries and the Philippines have agreed on interest rates on the rescheduled loans. However, he did not want to reveal the new rates. He said the official creditors, collectively known as the Paris Club, did not impose any new deadline for the Philippines. The country's 14 official creditors, in addition to the U.S. and the Netherlands, are Japan, United Kingdom, France, Spain, Italy, Belgium, West Germany, Denmark, Switzerland, Austria, Canada and Finland. [Excerpt] [HK0405101788 Manila THE MANILA CHRONICLE in English 4 May 88 p 20]

Thailand

Government Parties To Coordinate Campaigns BK0405015188 Bangkok THE NATION in English 4 May 88 p 1, 2

[Excerpt] The four parties in the outgoing coalition government will coordinate their election campaigns in a concerted effort to return to power, Ratsadon Party leader Gen Thianchai Sirisamphan announced yesterday. But he remained non-committal on whether his party wants Prem Tinsulanon as the next premier.

As Thianchai made the announcement, 33 "Jan 10" Group dissidents quit the Democrat Party. The dissidents will form a new political group to vie in the July 24 general election.

Five of Thianchai's party members who were MPs before the House dissolution threatened to resign if the party adopted a stand to support Prem as the next prime minister again, a move that could plunge the once pro-Prem party into disarray, informed sources said.

Thianchai himself said he could not say whether the four coalition parties will choose Prem as new leader. "After all, we have to make that decision after the election results are known," he said.

Observers note that Gen Thianchai has been reluctant since the April 29 House dissolution to commit himself on the issue, sparking speculation that he is shifting away from Prem.

But Thianchai confirmed that the Chat Thai, Social Action, Democrat and Ratsadon parties which worked under Prem's leadership will join hands in their election campaigns.

"I am confident that we can jointly get more than 175 seats in the House to form the new government," Thianchai told reporters. The new House will have 357 seats, up from the present number by 10.

Sources said that some party members, especially those from the Northeast, have expressed dissatisfaction over the composition of the Ratsadon Party's committee to pick candidates for the new election. They charged that the panel members have been changed almost entirely from the previous team, with most of the new ones being close followers of Gen Mana Ratanakoset, the party's secretary general who is known as a staunch supporter of Gen Prem.

The dissidents within Ratsadon Party, which had 20 MPs before last week, have reportedly been contacted by Ruam Thai Party. They will most likely make their stand clear after the party's general assembly on May 14. The dissidents include Prasom Prakunsuksaphan from Khon Kaen, Itsara Somchai, Phan Bunchit and Damrong Bunchid all from Ubon Ratchathani and Wisan Kositanon

from Phetchabun. At the same time, former Chonburi MP Somphong Amonwiwat from the National Democracy Party is likely to join Ratsadon.

Meanwhile, 33 Jan 10 members yesterday officially handed in their resignations to the Democrat Party. Wira Musikaphong, a former MP from Phatthalung and a leading dissident, simply stated in the letter that he wished to quit the party, while Kraison Tantiphong from Chiang Mai said he had been with the party for a long time but would have to resign if the present executive committee remains in office. He said he may consider rejoining the party if the executive committee is replaced. [passage omitted]

UDP, Dissident Democrats To Consider Merger
BK0405014988 Bangkok THE NATION in English
4 May 88 p 3

[Text] The United Democratic Party [UDP] and Democrat dissidents will open talks next week to consider whether they can be merged, deputy UDP leader Ophat Phonlasin said yesterday.

However, dissident Democrat Thawin Phraisoin said in a separate interview the chance of the merger is slim. He and 25 other Group of January 10 members who together quit the Democrat Party yesterday may join the opposition National Democracy Party, Thawin said.

Ophat stressed that UDP will keep its anti-Prem stance. UDP is the largest opposition party. UDP will not cooperate with politicians who want Premier Prem Tinsulanon to be re-nominated country leader after the July 24 nationwide election.

"We may merge with others, but only with those who share our idea that the next prime minister must be elected," Ophat told reporters at the Local Administration Department.

The Group of January 10 has not spelled out its stand on the premiership issue. But the group's vow to join the Opposition, which has pledged an all-out effort to block Prem's return, may indicate the Democrat rebels have dropped their loyalty to the prime minister.

Ophat said a fusion with the Group of January 10 was only a "recommendation" when leaders of the two camps met recently.

"But a mutual meeting will be held next week. Every step must be acknowledged and approved by party members first," Ophat said.

Meanwhile, Liberal Party leader Narong Kittikhachon denied yesterday his party has joined the UDP.

However, Narong said he and UDP leader Buntheng Thongsawat have discussed the possibility of combining.

"Buntheng has insisted on joining me. But I will allow him to choose from other parties. If he considers other parties better, he can go. My party is poor," Narong told THE NATION.

Before the House dissolution, UDP had 38 MPs, who were divided into pro- and anti-Prem groups. Buntheng leads the faction against Prem.

Bangkok Governor Sets Up Political Party
BK0305015588 Bangkok THE NATION in English
3 May 88 p 1

[Excerpt] Bangkok Governor Chamlong Simuang, hatching his long-considered plan to enter national politics, decided yesterday to set up his own political party.

Chamlong filed a request yesterday afternoon with the Local Administration Department to register his Ruam Phalang [United Force] group as a political party to contest in the July 24 general election.

The party was officially named Phalang Tham [Righteous Force] Party. Chamlong's wife, Lt Col Sirilak Simuang, is one of founding members of the party.

The governor also said he would lead the fledgling party, as requested by Ruam Phalang members.

Chamlong told reporters that he must form his party as soon as possible to allow his colleagues enough time to prepare for the election.

The Ruam Phalang group committee, he said, rejected its earlier plan to field candidates in the election under other parties.

"Running in an election under other parties is against the group's political will," he said.

The Ruam Phalang group gained its first recognition in politics by contesting in the November 1985 city election, in which its leader, Chamlong, was elected Bangkok governor in a landslide victory.

Members of the group currently hold seven of 53 seats in the city assembly.

Critics believe the group has potential support from a large number of Bangkok residents who favour the charismatic Chamlong.

Ruam Phalang members and several other supporters have publicly urged Chamlong many times to transform his political group into a party.

But Chamlong, who is known to favour the idea of changing Thailand's current parliamentary system to an American-style presidency system, had insisted that the time was not yet right to form a party and start his role in national politics.

The governor said he can play a more dynamic role as Bangkok governor under the city administration system, which resembles the American presidency system, than he could as an MP under the current national political system.

Chamlong yesterday reiterated that he will not resign as Bangkok governor when he becomes a political party leader. He said he wanted to spare the city the expense of organizing a new election for governor. [passage omitted]

Sitthi, Phichai Reelection Chances Viewed
BK0505004588 Bangkok *THE NATION* in English
5 May 88 p 8

[Editorial: "Will Phichai and Sitthi Run for Re-Election in Bangkok?"]

[Text] Immediately after the House dissolution, Prachakon Thai Party of Samak Suntharawet and Muanchon Party of Chaloeam Yubamrung crowed over their self-proclaimed "victory" in having provoked Premier Prem Tinsulanon to dissolve the House. The two are confident that they and their parties will benefit from this "victory" in the July 24 election in Bangkok.

On Monday, however, Bangkok Governor Chamlong Simuang formed a party, called Phalang Tham, to counter what he described as "bad people" in politics. Chamlong believes his party is the force that must be reckoned with. And most political observers agree Phalang Dharma will make a difference, at least in Bangkok where Chamlong is popular.

Candidates of other parties, such as Democrat, Social Action [SAP] and Chat Thai, will have a great deal of difficulty squeezing into any of the 12 constituencies of the city. (In the previous election on July 2, 1986, Prachakon Thai and Democrat each won 16 seats, SAP won 2, Chat Thai and Muanchon each won 1. In the next election, Bangkok will have one additional MP, bringing the total to 37.)

That the Democrat Party has been badly hurt by the House dissolution is obvious. Three of the 33 dissident Democrats who quit the party Tuesday were MPs of Bangkok, one of them is Chaloeamphan Siwikon, leader of the dissident Group of January 10.

Chaloeamphan has indicated that he will run in Nakhon Ratchasima (Constituency 2), instead of Bangkok (4) where he was elected along with his arch-rival Democrat leader Phichai Rattakun in the 1986 election.

Another senior Democrat, former Agriculture Minister Gen Han Linanon may also leave the party and run in Chumphon instead of Bangkok (9).

Even before the House dissolution, Democrat Party was losing ground in Bangkok to Prachakon Thai. This was evident in the overwhelming victory of Prachakon Thai candidate Boonthiam Khemaphirat over Democrat Api-chart Dumdee in a by-election last June.

Other likely casualties in Bangkok are the two senior SAP members: party leader ACM [Air Chief Marshal] Sitthi Sawetsila (2) and deputy leader Kasem Sirisamphan (2). Kasem, who is a close follower of former premier M.R. Khukrit Pramot, has strongly criticized Premier Prem for dissolving the House. Sitthi, however, is a close friend of Prem. The two will unlikely run on the same ticket again.

Sitthi will have a hard time defending his position on the copyright controversy; he is adamant on amending the law to protect U.S. copyrights. The deadlock over the Ban Romklao border dispute with Laos will also be a big liability for him.

Phichai, on the other hand, will have to answer questions on his failure to control the Group of January 10 and to head a coalition government even though his party had won 100 out of the 347 seats in the House in the 1986 election.

Both Phichai and Sitthi will have to do some serious calculation of their re-election chances in Bangkok. The conventional wisdom now is that their chances are not good.

The two will have to ask themselves whether getting re-elected in Bangkok means anything to them. Samak and Chaloeam, of course, claim that it is because Bangkok voters are supposed to be the most sophisticated in Thailand.

Will Phichai and Sitthi avoid confronting candidates of Prachakon Thai and Phalang Tham in Bangkok? We won't be surprised if they will and, instead, seek re-election in some safe seats elsewhere.

The point is to get re-elected if they still want to lead their parties and serve Prem in the next government.

SRV's Nguyen Co Thach Meets Chat Thai MPs
BK0505122888 Bangkok *THAI RAT* in Thai
5 May 88 p 3

[By Itsaraphap Phunsoem]

[Text] Foreign Ministry officials may not be happy when they read this report because it carries remarks made by Nguyen Co Thach, Vietnamese deputy vice premier and minister of foreign affairs. However, I can do nothing about that, because being a foreign minister he has alienated many people.

Nguyen Co Thach told a delegation of former MPs from the Chat Thai Party that Vietnam is opening up for foreign investment and they believe the Cambodian problem can be settled within 2 years or less. If foreign investors are concerned, they can come to invest after the problem is settled.

Nguyen Co Thach also said that to the question of the Thai-Lao border dispute, they did not agree with the charge that Vietnam had helped Lao soldiers in the fighting with Thailand. Vietnam would like to confirm that it supports the two sides settling the problem through peaceful means, because any confrontation will affect regional peace. When Vietnam withdraws all of its troops from Cambodia, there will be no reason to accuse Vietnam of posing a threat to Thailand.

"However, there are also many threats from Thailand against Vietnam—especially the smuggled goods," Nguyen Co Thach said laughing.

"Vietnam is willing to solve the problems between the two countries. There is no problem that cannot be solved, including the problem of Vietnamese wanting to have Thai wives and Thais wanting to have Vietnamese wives."

"Since 1980 I have visited Thailand several times, but Sitthi (Foreign Minister Air Chief Marshal Sitthi Sawet-sila) has never come to Vietnam. Sitthi has set as a condition for his visiting Vietnam the withdrawal of Vietnamese troops from the Thai-Cambodian border. I have visited your home several times, but you refuse to visit mine....," the Vietnamese deputy prime minister said.

"The United States was once at war with Vietnam, but they still visit Vietnam. In bilateral relations, if both sides have confidence in each other, there will be no problem. However, if we have suspicions about each other, we will have no confidence....," Nguyen Co Thach said.

"The Vietnamese premier has visited Thailand, but the Thai prime minister has never come to Vietnam. However, we do not need to wait for him to come. Our premier is willing to go to Thailand again. I am also ready to go to Thailand again at any time, because we still cannot meet the condition that Sitthi has set for visiting Hanoi....," the Vietnamese foreign minister said.

Kamon Chiraphanwanit, former Chat Thai Party MP for Lop Buri Province replied to Nguyen Co Thach that "Vietnam and Thailand have problems due to personalities. In the upcoming general election, if Chat Thai wins the majority, Sitthi will probably not be reappointed as foreign minister...."

"Sitthi will not be reappointed because Sitthi belongs to the Social Action Party, not the Chat Thai Party," former MP Kamon whispered to his colleagues.

Exchange of Boundary Stone for Lintel Canceled
BK0405020188 Bangkok THE NATION in English
4 May 88 p 2

[Excerpt] The Fine Arts Department yesterday announced officially that it will not give up a stone boundary marker even if the Chicago Art Institute wants it on a five-year loan basis in return for the Narai Banthomsin lintel.

The announcement was made after the department received criticism and complaints from Thai archaeologists, arts experts, and the public that the boundary stone is in better condition than the lintel and it is the only Mon Dvaravati art object in Thailand, which depicts Jakara (the previous life of the Buddha).

A Thai archaeologist, who asked for anonymity, said the boundary marker is of an older period with more historical value than the 800-year-old lintel in Chicago.

The boundary stone, 200 cm high, 83 cm wide and 20 cm thick, depicts the scene of the Buddha's return to Kapilavastu after his Enlightenment. The 9th-10th century stone artifact is currently preserved in the National Museum in Khon Kaen province. It was originally found at Muang Fa Daet Sung Yang in the northeastern province of Kalasin.

Thawisak Senanarong, the department director-general, said many Thai arts specialists and the majority of the Thai people especially those from Khon Kaen disagreed with giving away the boundary stone in return for the lintel.

"We did not renege on our words with the art institute, but we have to listen to the Thai majority, who refused to give away the boundary stone. If they (the Chicago museum) really want the piece, I have to tell them that Thai people do not allow it to go," Thawisak said. [passage omitted]

Vietnam

Official Announces Return of PRC Fishermen
BK0405150688 Hanoi Domestic Service
in Vietnamese 1430 GMT 4 May 88

[Text] On 4 May Comrade Ngo Tat To, acting head of the Chinese Affairs Department of our Foreign Ministry, met with Chinese Ambassador Li Shichun in Hanoi to inform him of the following:

On 12 March 1988, the Army and people in the sea area of Haiphong arrested 22 Chinese fishermen, who were illegally poaching in Vietnamese territorial waters. These fishermen confessed to their offenses and were dealt with according to the Vietnamese law.

Treasuring the traditional friendship between the peoples of Vietnam and China and proceeding from the spirit of humanitarianism, the Vietnamese Government has decided to return to the Chinese side these 22 Chinese nationals.

On this occasion, Comrade Ngo Tat To also requested the Chinese side to return to Vietnam at an early date the captured sailors and pilot Tran Ton for reunification with their families. [Hanoi VNA in English at 1505 GMT on 4 May in a similar report cites: "nine sailors and a pilot Tran Ton"]

Top Petroleum Official Replaced by Deputy
BK0505005388 Hong Kong AFP in English 0029 GMT 5 May 88

[Text] Hanoi, May 4 (AFP)—Top Vietnamese petroleum official Nguyen Hoa has been replaced by his first deputy, Truong Thien, a department official said here Wednesday.

The change was made April 11 after a decision by the Council of Ministers, the official told AGENCE FRANCE-PRESSE, without giving any reasons for it.

The council decided to transfer Mr. Hoa, director of Vietnam's General Oil and Gas Department, to other duties, the official said.

Mr. Hoa is a Central Committee member and former lieutenant general. His successor is considered by oilmen to be a talented petroleum technician.

The change comes as Vietnam prepares to sign a contract in the next few weeks with the Indian Oil and Natural Gas Commission for offshore oil exploration along its southern coast.

Hanoi is also negotiating with the Belgian company Petrofina—affiliated with Shell—and the French company, Total, for offshore exploration contracts off its central coast and in the Gulf of Tonkin in the northeast.

Tran Xuan Bach Addresses Peace Committee Meeting
BK0405160788 Hanoi VNA in English 1507 GMT 4 May 88

[Text] Hanoi VNA May 4—The Vietnam Peace Committee met here today to review the peace movement in the recent past and discuss a plan of action for the coming years. Among those present were Phan Anh, president of the committee, and Mrs Nguyen Thi Binh, deputy head of the International Department of the CPV

Central committee. The session was also [as received] Tran Xuan Bach, Politburo Member of the party Central Committee, who made a speech.

The session highly valued the activities of the committee and the peace movement in Vietnam, especially the Vietnamese people's active participation in the "peace wave" sponsored by the United Nations in 1987. This year and in the coming years, the peace committee will join other mass organizations in stepping up activities for peace, thus contributing to the national construction and defence, and to the strengthening of the solidarity, friendship and cooperation with other countries in the region and the world. The committee will organize diversified activities in support of the struggle of other peoples and the progressive movement in the world for national independence, disarmament and development, for the establishment of nuclear-free zones and the dismantling of foreign military bases, for environmental protection and cooperation in science, culture and education.

Notice Issued on Combating Insect Infestation
BK0505065088 Hanoi Domestic Service in Vietnamese 1430 GMT 1 May 88

[Summary] "The Vegetation Protection Department of the Ministry of Agriculture and Food Industry recently issued a notice saying that in the past 10 days leaf folders, brown planthoppers, white leafhoppers, green plant bugs, nezara torquata, and rice blast have appeared and ravaged winter-spring rice in the northern provinces.

"In the southern provinces, leaf folders, stem borers, and nezara torquata have also appeared and ravaged rice-plants while aphid sp., late blight, and leafminer flies have appeared on other crops, such as corn, soybean, and jute."

The Vegetation Protection Department suggests that the northern provinces concentrate on preventing and combating insects and diseases with all available means, such as trapping leaf folder flies and full-grown ground beetles with scooping nets, spraying insecticides to eliminate young leaf folders in localities with a high density and ground beetles on riceplants that are in the blooming stage, and using diesel oil to eradicate young leafhoppers, and observing the developments of rice blast and other diseases.

Meanwhile, the southern provinces should concentrate on eliminating leaf folders and ground beetles on late winter-spring rice in the eastern and central Nam Bo regions and observe the situation of insects and diseases on the areas of summer-fall rice seedlings.

New Caledonia

Security Forces Free 23 Hostages Held by Kanaks
BK0505035088 Hong Kong AFP in English 0320 GMT 5 May 88

[Text] Noumea, May 5 (AFP)—The 23 French hostages being held in Ouvéa Island were freed Thursday morning, official sources said in this French Pacific territory.

The freeing of the hostages was announced in a statement by Minister for Overseas Territories Bernard Pons.

Security forces moved in to free the hostages and three gendarmes were wounded during the operation, informed sources said here.

Mr. Pons said the action to free the hostages was "imposed by the situation inside the place where the hostages were being held. All the hostages were freed."

The action was "being completed," he added.

Several Kanaks, Leader Killed
BK0505043288 Hong Kong AFP in English 0418 GMT 5 May 88

[Text] Noumea, May 5 (AFP)—Several Kanak (Melanesian) separatists were killed when French security forces freed 23 French hostages on the island of Ouvéa Thursday, an informed source said here.

The leader of the 15 Kanaks holding the hostages, Alphonse Dianou, was among the victims, the source said.

Casualties Confirmed
AU0505073588 Paris AFP in English 0646 GMT 5 May 88

[Text] Paris, May 5 (AFP)—Around 10 hostage-takers and one French soldier were killed, and three gendarmes were wounded when French forces freed 23 people held by Melanesian separatists on the New Caledonian island of Ouvéa, Defence Minister Andre Giraud said here Thursday.

Mr. Giraud, who was being interviewed on a French television station, could not give a precise figure for the number of Melanesians killed when the French launched an attack on the cave where the hostages had been held, some of them since April 22.

Mr. Giraud said Prime Minister Jacques Chirac had given the order to make the attack when it became clear that "the situation in the cave was becoming dangerous".

President Francois Mitterrand approved the operation, the defence minister added.

Chirac Ordered Operation
LD0505075988 Paris Domestic Service in French 0700 GMT 5 May 88

[Text] After 8 hours of fighting, security forces freed the 23 hostages held prisoner in a cave on the island of Ouvéa in New Caledonia. The assault, ordered from Paris by the prime minister, was led on the ground by Captain (Auriol), deputy commander of the National Gendarmerie Intervention Group [GIGN].

The 23 hostages—22 gendarmes and a magistrate—are safe and sound. During the fighting a gendarme participating in the operation was killed and three others were taken to the hospital. Their lives are not in danger.

On the separatist side the leader of the kidnappers, Alphonse Dianou, was killed, as well as other Melanesians. Bernard Pons, who followed the assault in place, summed up the results of the operation in Noumea. Here is an on-the-spot report from Serge Martin:

[Begin recording] One of the paratroop gendarmes participating in the assault was killed and 2 others were injured. Apparently 14 of the kidnappers, including their leader Alphonse Dianou, were killed. Such is the outcome of the operation launched late this morning on the cave in Ouvéa. The action, decided by Bernard Pons, minister of overseas departments and territories, allowed the 23 hostages to be rescued alive. They are Jean Bianconi, Noumea deputy public prosecutor, and 22 gendarmes, including the GIGN commander Captain Philippe Legorjus.

Legorjus' deputy, Captain (Kim Auriol), led the assault, assisted by paratroop gendarmes and all the other military forces present on the island, including the marine infantry. We learned of the operation in Noumea early this afternoon when helicopters arrived returning the injured. The operation was greeted by numerous reactions of satisfaction on the part of the white population. The dismayed separatist activists have entrenched themselves at FLNKS [Kanak Socialist National Liberation Front] headquarters. From Noumea, Serge Martin for Radio France. [end recording]

Defense Minister Andre Giraud pointed out that the president had been informed of and had approved the prime minister's decision. For Andre Giraud, having security force representatives held hostage was intolerable. Jacques Chirac decided to launch the assault because discussions were bogged down. According to Jean-Marie Tjibaou, the French people showed that their solution is the gun; the aim of the government is to crush the movement. The FLNKS president adds: It cannot destroy us.

Paris Updates Tell

LD0505085288 Paris Domestic Service in French
0800 GMT 5 May 88

[Excerpt] Two dead among the ranks of the security forces, 17 separatist activists killed: Such is the outcome of the assault on the cave in Ouvea in New Caledonia where 23 hostages were being held. The fighting was particularly violent, indicated Minister Bernard Pons. The assault lasted 7 hours. [passage omitted]

15 Kanaks, 2 Gendarmes Killed

BK0505081088 Hong Kong AFP in English 0807 GMT
5 May 88

[Text] Noumea, May 5 (AFP)—Fifteen hostage-takers and two French soldiers were killed Thursday during an operation to rescue 23 French hostages held by Melanesian separatists in New Caledonia, a French minister said here.

The operation on the island of Ouvea saw very violent fighting, Minister for Overseas Territories Bernard Pons said in Noumea.

The attack, code named Operation Victor began at 6.15 a.m. Thursday (1915 GMT) Wednesday and ended at 1.30 p.m. (0230 GMT) Thursday with the release of all 23 hostages, Mr Pons said.

Details of Rescue Reported

BK0505091688 Hong Kong AFP in English 0859 GMT
5 May 88

[By David Davies]

[Text] Noumea, May 5 (AFP)—Fifteen Melanesian separatists and two Army commandos died Thursday when French security forces stormed a cave to release 23 French hostages in New Caledonia, Minister for Overseas Territories Bernard Pons said.

At least three gendarmes were wounded, two seriously, in the operation on the small island of Ouvea in the French Pacific territory, Mr Pons told a press conference in Nouvea.

Mr Pons said that about 30 separatists were defending the cave when it was attacked and there was very violent fighting.

Fifteen Melanesians were killed and many of them wounded, including their leader Alphonse Dianou, who had been listed among the fatalities in earlier reports. The others were taken prisoner, he added.

French security forces attacked the cave Thursday morning at 6.15 a.m. (1915 GMT Wednesday) when it became clear that negotiations were not going to lead to any

result, Mr Pons said, and the operation codenamed "Victor" ended at 1.30 p.m. (0230 GMT Thursday) with the release of the hostages safe and sound.

The security forces approached the cave under cover of the noise from the rotor blades of two Puma helicopters which circled overhead to camouflage the sound of their approach.

General Jacques Vidal, the French commander in chief in New Caledonia, also flew overhead in his command helicopter.

When security forces unleashed their assault on the caves the hostages took refuge in a recess at the far end while two of their number armed with the revolvers took up positions, one behind a pillar of rock and the other behind a pile of debris to hold back the kidnappers.

The two men were identified by Mr Pops as Captain Picon and Sergeant Dubois.

As the attack developed one of the Kanak guards opened fire on the hostages with an automatic weapon while another held a powerful torch to illuminate the scene in the darkened cave.

The security forces attacking the cave threw grenades and teargas.

Under covering fire from Captain Picon and Sergeant Dubois the hostages were able to escape through a narrow chimney and were rescued by the security forces.

Mr Pons paid particular tribute to one of the hostages, Magistrate Jean Bianconi, for his courage in making every possible attempt to persuade the kidnappers to release their hostages peacefully.

Mr Pons said that every possible effort was made to negotiate the peaceful release of the hostages before it was finally decided to launch the assault, in view of the deteriorating situation in the cave.

He said that the kidnappers had constantly threatened to massacre the hostages and towards the end of the negotiations had made no serious effort to come to terms with the security forces.

Mr Pons said that the kidnappers had asked for a television crew to be allowed to film the hostages in the cave.

In the final hours before the assault the authorities had kept the negotiations alive on this point, pleading that bad weather with rain on the island and low cloud cover was delaying the arrival of the television crew.

Reasons for Decision Cited

AU0505125988 Paris AFP in English 1239 GMT
5 May 88

[Text] Paris, May 5 (AFP)—French Interior Minister Charles Pasqua, questioned on the heavy death toll in the release of the French hostages in New Caledonia, told journalists here Thursday: "You can't make an omelette without breaking eggs."

Referring to the 17 deaths in the storming operation, he said: "We had the choice between the deaths of 23 French hostages" and giving the order to attack.

Mr Pasqua said that the final decision to make an armed assault had been taken by Prime Minister Jacques Chirac on Wednesday evening, although a decision in principle had been taken several days earlier.

When negotiations were going nowhere, "one must do everything to ensure that the rule of law prevails," he said.

"Crying over it won't change anything," he said.

Mr Pasqua added that President Francois Mitterrand had been kept informed, but the final decision was the "exclusive responsibility of the government."

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